

1 CHAIRPERSON GARAMENDI: Thank you very much.

2 Michelle Hoffman.

3 MS. SMITH: Hi. I'm actually Terri Smith.

4 Michelle Hoffman was here since 10 o'clock and had to
5 leave.

6 I have a lot to read here, but I'm going to cut
7 it short with the time. She did wait a long time.

8 And basically cutting it down. It's time for
9 California and our nation to promote the incentives and
10 encourage the use of alternate power. I feel that BHP
11 should not be able to skirt the air pollution guidelines
12 for Ventura County. That is what is happening.

13 And I'm also concerned about the safety of all of
14 us living here if this dangerous terminal and boats
15 carrying this fuel is allowed. And the reason I'm
16 bringing that up again is not because we have not heard
17 it, but because personally right after 9/11 I showed my
18 rental to a person that I was suspicious enough of to call
19 the FBI. And the FBI, it took them a month, but they
20 called me back. And they had been looking for him, but he
21 had moved on. Luckily I didn't rent it to him and he
22 didn't take off with something.

23 Thank you.

24 CHAIRPERSON GARAMENDI: Thank you very much.

25 Gail Osherenko.

1 Gail Osherenko.

2 Heikki Ketola.

3 MR. KETOLA: My name is Heikki Ketola. I've been
4 living near -- going on 15 years. I have some comments on
5 the EIS/EIR.

6 My relevant background with this is that for the
7 last six years I've been associated with UCLA's understudy
8 graduate school management that they're -- their GAP
9 program, Global Access Partners. We analyze and evaluate
10 their business plans.

11 So I started looking at this report here. And a
12 normal way is trying to find the easy stuff, whether
13 that's being done correctly. And then go from there.

14 So I studied on Section 4.4, Volume 1, which is
15 estimates. Basically I have some questions: How does
16 this thing look like? What is the visual impacts?

17 On page 20, lines 3 through 10, it's mentioned
18 that from Mugu Rock you cannot see Cabrillo Port because
19 it's below the horizon and, therefore, it's not even
20 visible in a clear plant.

21 I have a picture here of a ship from Zuma Beach
22 at 14 miles away, which clearly shows. So the report here
23 is factually wrong in this point.

24 Furthermore, on page 25, lines 3 through 10, the
25 report says that -- let me open it.

1 CHAIRPERSON GARAMENDI: I'm sorry, sir, but your
2 time is up.

3 MR. WILLOX: Anyway, two factual error --
4 identifications on the total quality of the report.

5 CHAIRPERSON GARAMENDI: Thank you very much.

6 Marcia Hubbard.

7 MR. HUBBARD: Lieutenant Governor, my name is
8 Marcia Hubbard. I respectfully yield my time for all of
9 the victims of this project, including everyone here, you,
10 and the over thousand people who are standing outside.
11 The victims are marine mammals. The gray whale, which
12 will be driven into extinction, by the decibels that will
13 go all the way to shore. And the 1,282,000 adults with
14 asthma in Ventura and L.A. County. These figures are 2003
15 Center for Disease Control. And of those, 326,000 in L.A.
16 and Ventura County are children.

17 Thank you very much.

18 CHAIRPERSON GARAMENDI: Thank you.

19 Next five names, if you could come up. Mark
20 Massara, Carol Keener, Leslie Purcell, Lauraine Effress,
21 and Nancy Pedersen.

22 Mark Massara.

23 MR. MASSARA: Honorable Chair, distinguished
24 Commissioners. I'm Mark Massara. And I have the distinct
25 pleasure of directing Sierra Club's coastal programs, and

1 will plead guilty in part to educating the public and
2 encouraging the thousands of people here today to attend
3 this historic and critically important hearing.

4 But I did not act alone. Sierra Club along with
5 dozens of other environmental organizations, community
6 groups, labor, businesses, students and citizens, all are
7 responsible for this historic public turnout and
8 participation here today.

9 You've heard and seen for yourselves the
10 unacceptable, permanent, and irreversible impacts of BHP's
11 LNG terminal and what it would unleash.

12 We'd like to change gears now and thank you for
13 your patience, and ask that all of those in support of the
14 rejection of this lease and EIS forego testimony and cede
15 their time to this Commission in order to ensure you time
16 to deliberate and facilitate a final decision here
17 tonight.

18 And with the permission of the Chair, I would
19 like to now recognize the thousands here tonight, inside
20 and outside, and ask those who cede their time to this
21 Commission to stand in solidarity and opposition to this
22 project.

23 Thank you.

24 (Applause.)

25 CHAIRPERSON GARAMENDI: I very much appreciate

1 that. And I'm not sure it's going reduce the number of
2 people that have signed in. But if it does, it's much
3 appreciated.

4 Continuing on. Carol Keener.

5 Carol Keener?

6 Leslie Purcell.

7 Leslie Purcell?

8 MS. PURCELL: Good evening. I was just on my way
9 out and I heard my name, so I ran back in.

10 I would like to bring up -- I don't know if
11 somebody mentioned this. I asked somebody to mention
12 about the Bald Eagle nesting out there on the Channel
13 Islands. This is something I haven't heard in the EIR.
14 You know, there's a webcam, you can look and see them.
15 There are federal -- you know, our national bird. It's
16 endangered. I think it's just indicative of one of the
17 impacts that does not address in terms of the wildlife and
18 the animals. And I think that, you know, this is
19 obviously defective and you guys should not go on
20 approving this; that the Navy does its exercises out
21 there. A couple people spoke about how dangerous it is to
22 have this kind of flammable toxic, you know, situation
23 with the Navy's exercises. And I think that's another
24 thing that has not been significantly addressed.

25 I heard on the radio in San Barbara there was

1 another sperm whale. It mentions in the EIR only three
2 had been seen in the Santa Barbara Channel. This is the
3 third one, and it washed up dead. And I don't know why.
4 But, you know, these kinds of impacts are not what we need
5 for the marine life and for the human life in this area.
6 So respectfully ask you to vote against it.

7 Also, I tell you, \$155,000 a year is a terrible
8 bargain for the people of the State of California if
9 that's really what, you know, we're getting back as rental
10 fee to use the state lands for, you know, a billion dollar
11 project with this company.

12 So, again, please vote against it.

13 CHAIRPERSON GARAMENDI: Thank you very much.

14 Lauraine Effress.

15 MS. EFFRESS: Thank you. My name is Lauraine
16 Effress. I've lived in Oxnard for the last 16 years. And
17 I've been here since 10:30, so I welcome this opportunity.

18 I'd like to bring a few unsaid things to your
19 attention. You talked about the coast guard this morning.
20 I'm not sure you're aware, but the coast guard missed its
21 April 1st, 2007, deadline to develop their long-range
22 tracking system to be able to track all of the ships
23 coming to shore from the thousand or two thousand miles
24 out by GPS. They're dependent on radio traffic, which
25 enables them only to track from 12 to 20 miles out. And

1 our project is cited at 14 miles out.

2 On the East Coast --

3 CHAIRPERSON GARAMENDI: I don't recall them
4 saying that this morning.

5 MS. EFFRESS: They said -- they didn't talk about
6 that. They talked about a 96-hour rule, but that requires
7 voluntary compliance. Bad guys are not going to say,
8 "Here I am."

9 And the East Coast, they were required to do a
10 waterway suitability analysis. You've heard about that.
11 But a quirk in the procedures for EIR/EIS on the West
12 Coast and where our project is sited means that they don't
13 have to do this until after the project is licensed. The
14 security plan is a secret. A secret means that there are
15 always surprises.

16 My own concerns have to do with the Port of
17 Hueneme and the West Coast Pacific Missile Testing Range.
18 We've worked very hard to keep the Navy here. They wanted
19 to move a lot of jobs to China Lake. They did move jobs
20 to China Lake. Our BRAC Task Force knocked themselves
21 out. If they close down like they do in Boston for
22 offloading and they close that range and the Port Hueneme,
23 economically we will really feel that in our area.

24 Thank you.

25 CHAIRPERSON GARAMENDI: Okay. Thank you for the

1 new information.

2 Nancy Pedersen.

3 MS. PEDERSEN: My name is Nancy Pedersen and I
4 yield my time. I ask that you do not certify.

5 Thank you.

6 CHAIRPERSON GARAMENDI: Thank you.

7 Okay. Five more names.

8 Jean Rountree, Bill Terry, Lora Lowe, Peter Lowe.

9 Peter and Lora, could you get your act together
10 here and maybe one of you could speak for the other?

11 Cesar Diaz.

12 Please, go ahead.

13 MS. ROUNTREE: My name is Jean Rountree and I
14 speak today for the Beacon Foundation -- grass roots, all
15 volunteer, hard working. In our 13 years of service to
16 Ventura County we have never encountered an abuse like
17 this one.

18 BHP Billiton has chosen to bring this untested,
19 unsafe project to the Oxnard community. Oxnard is the
20 12th most densely populated city in this nation.
21 Sixty-two percent of the population is Hispanic, Latino,
22 and 15.1 percent of the population is below the poverty
23 level, highest of anywhere in Ventura County.

24 This international corporation behaves like this.
25 They have a distinct preference for environmental projects

1 in communities where they expect to encounter least
2 resistance and where their corporate money buys the most
3 support.

4 I will mention only three places in this world
5 where this has happened.

6 In Pujada Bay, Philippines, two or three local
7 governments opposed Billiton's incursion into protected
8 lands and endangered species habitat. Eight hundred
9 residents signed a petition to get out.

10 In Columbia, families that were evicted from
11 their homes for a Billiton mine expansion at El Cerrejon
12 are still homeless after five years.

13 CHAIRPERSON GARAMENDI: I thank you very much for
14 your testimony. Thank you.

15 MS. ROUNTREE: Okay. And I would like to just
16 pass this along, if someone will take it out, because it
17 tells you of another abuse that is immediate.

18 CHAIRPERSON GARAMENDI: I thank you very much.
19 Thank you.

20 Bill Terry.

21 MR. TERRY: Good evening, commissioners. I
22 appreciate your taking the time to come down here to
23 listen to the little people.

24 I think it's a gross miscarriage of justice --
25 environmental justice.

1 The rest of my time I yield.

2 CHAIRPERSON GARAMENDI: Thank you very much, Mr.
3 Terry.

4 Lora Lowe.

5 Lora Lowe?

6 Peter Lowe.

7 Peter Lowe, Lora Lowe?

8 Cesar Diaz.

9 Cesar Diaz?

10 Okay. We're going to go ten names at a time.

11 Chris Coudert, Tom Nielsen, Carmen Ramirez,
12 Rachel Jones, Mary Dodd, Peter Hearst, Keith Smokoska.

13 That's close to ten.

14 MS. DODD: I'm Mary Dodd. I'm a resident of
15 Oxnard, retired. I'm speaking as a consumer and I only
16 want to make one point.

17 If I'm going to buy something, I want to know
18 whether I need it. I always ask myself that. And then I
19 ask myself, "How much will it cost?" Okay. I don't know
20 whether I need LNG and I don't know whether California
21 does. And the State Legislature in California denied me
22 to find out. They voted against Senator Simitian's bill.
23 There's no hard evidence that we need LNG. There's no
24 facts.

25 And so I have no idea whether we need natural gas

1 or not. I also don't know how much we're going to have to
2 pay for natural gas if it comes here. So, consequently,
3 without that vital information, I think that this project
4 should be turned down.

5 Thank you.

6 CHAIRPERSON GARAMENDI: Thank you very much.

7 MR. COUDERT: My name's Chris Coudert and I live
8 in Oxnard. I'd like to rescind most of my time. But I
9 would just like to say for all those people outside, the
10 thousands of people, they've done their civic
11 responsibility by going to their local representatives.
12 And local representatives have come to you. And now you
13 are our local -- not our local, but our representatives
14 that need to represent us and those thousand people out
15 there. That sea of blue is out there telling you to do
16 the right thing, and that's to vote this down.

17 Thank you.

18 CHAIRPERSON GARAMENDI: Than you very much, Mr.
19 Coudert.

20 Tom Nielsen.

21 Carmen Ramirez.

22 MS. RAMIREZ: Good evening. Thank you for coming
23 to Oxnard and thank you for your patience.

24 I'm going to yield the rest of my time to whoever
25 to make the decision.

1 We're waiting for Jack Nicholl from American Lung
2 Association to read a letter to you.

3 CHAIRPERSON GARAMENDI: I don't see him on my
4 list.

5 MS. RAMIREZ: Okay. He's there somewhere.

6 We want you to be accountable. But we have to be
7 accountable to the seventh generation.

8 Thank you.

9 CHAIRPERSON GARAMENDI: Thank you.

10 Rachel Jones.

11 MS. JONES: Good evening. I'd like to cede my
12 time. And I'd like you to turn down this project.

13 Thank you.

14 CHAIRPERSON GARAMENDI: Thank you very much.

15 Peter Hearst.

16 MR. HEARST: I'm Peter Hearst. I'm a retired
17 research chemist.

18 And the final environmental impact report for the
19 Cabrillo Port project does not discuss the large amounts
20 of greenhouse gases that would be produced by all the
21 operations of the project. That is a great failure of
22 this report.

23 Natural gas produces less pollution than diesel
24 fuel or gasoline. And it produces less pollution that
25 affect our health. But all of these fossil fuels are

1 hydrocarbon fuels that produce the same amount of carbon
2 dioxide, which is not dangerous to health but which is a
3 greenhouse gas for which it has no available mitigation.

4 If the super tankers require ten tons of diesel
5 fuel for coming back and forth -- and I don't know how
6 much they do require. That's not in the envir -- that
7 should be in the environmental impact statement. But if
8 they need ten tons of diesel fuel per ship, there would be
9 more than 6,000 tons of greenhouse gas per year.

10 And whether this greenhouse gas -- excuse me --
11 whether this greenhouse gas is produced --

12 CHAIRPERSON GARAMENDI: Mr. Hearst, I thank you
13 very much for your testimony. Thank you very much.

14 MR. HEARST: Regardless, it was produced in the
15 effective load.

16 CHAIRPERSON GARAMENDI: I thank you.

17 Keith Smokoska.

18 Not even close, was it?

19 MR. SMOKOSKA: Not even close.

20 Good evening, Chairman Garamendi and members. My
21 name's Ken Smokoska and I represent the Sierra Club of
22 California's 250,000 plus members as Chair of our Energy
23 Climate Change Committee. So I'm not going to be
24 redundant, but I'll limit it on clarifying a couple of
25 things.

1 To add to the South Coast Air Quality Management
2 District hot gas issue, they've joined the Grace Coalition
3 as the litigant in another CEQA action regarding LNG along
4 with the City of San Diego.

5 On the climate change, the Carnegie-Mellon report
6 with life cycled greenhouse gas emissions, assuming the
7 overall life cycle carbon emissions of LNG are coal, are
8 much closer than generally accepted according to this
9 report. And in future continued IGCC and NGCC plants with
10 carbon sequestration, carbon emissions from both fuels are
11 virtually equal, if not higher, with LNG regarding
12 greenhouse gases. And then if you look at the TIAX
13 report -- T-I-A-X -- the well to wheels on greenhouse gas
14 emissions versus gasoline our significantly higher with
15 LNG.

16 Now, as far as alternative. LNG to China, India,
17 versus their coal would probably be very good at that
18 solution for Australia's natural gas. And then solutions
19 with community choice law, which is Assembly Bill 117 by
20 Carol Mignon, allows communities to choose which type of
21 energy is being generated and produced in their
22 communities. And San Francisco, Chula Vista and 14 other
23 communities have evaluated that 50 percent plus renewable
24 portfolio standard are possible with no increase in rates.

25 Thank you.

1 CHAIRPERSON GARAMENDI: Thank you very much.

2 The next ten names: Paul Betouliere, Nathaniel
3 Soloway, David Maron, Konrad Ulich, Jeremy Meyer, Neal
4 Michaelis, Rabbi Lynn Gottlieb.

5 Go ahead, sir. Introduce yourself and --

6 MR. BETOULIERE: My name is Paul Betouliere.
7 Good evening Commissioners.

8 I'd just like to say that the pipeline that's
9 going to come across these lands -- the state lands, the
10 pipeline is going to be 24 inches high, two of them. It's
11 going to be filled with 1600 psi, pounds per square inch
12 of pressure. This pipeline, one 22 miles long, we're
13 never going to be able to protect that pipeline from any
14 kind of an intrusion or any kind of catastrophic
15 development.

16 I've not seen any evidence at all as to what
17 would happen if the LNG Cabrillo Port and the offloading
18 tanker and the pipeline simultaneously were to erupt into
19 an explosion. I've seen no evidence as to what would
20 happen in some kind of a catastrophic meltdown of that
21 nature. And it seems to me that we've missed a lot of
22 data.

23 Secondly, one little last thing, and I'll see if
24 I have any extra seconds left. But to go into the Santa
25 Monica Mountains where I have grown up and raised my

1 children and to look out at the ocean, you can see no
2 Man-made objects between Anacapa and Catalina. And it
3 would be wonderful if we could keep that pristine
4 environment and the air for our children and grandchildren
5 and your children and grandchildren.

6 Thank you.

7 CHAIRPERSON GARAMENDI: Thank you.

8 Natalie Soloway.

9 MS. SOLOWAY: Just had a sex change.

10 (Laughter.)

11 MS. SOLOWAY: Anyway, thank you, commissioners,
12 for having this time tonight. I think I was Nathaniel and
13 I would have been if I'd been a boy.

14 But at any rate, I'm here tonight to just ask you
15 to please take an account all of these people to united
16 communities. And I cede my time with this sincere request
17 that you take in all that you've heard today and see the
18 earnestness of this crowd and deny this project and this
19 lease and this EIR.

20 Thank you.

21 CHAIRPERSON GARAMENDI: Thank you.

22 David Maron.

23 MR. MARON: It's David Maron. And I'll be And
24 I'll be brief. I understand you want to move along.

25 So four points: Number two -- because I'm going

1 to skip one -- this project because of the way Cabrillo
2 Port is structured, there's nothing I find in the EIR that
3 allows California to accept LNG from any other source but
4 BHP. So I believe this project, if approved, would
5 actually reduce our energy independence.

6 And, number four, I'd just remind the Commission
7 that after Hurricane Rita there was an oil platform that
8 broke loose in the Gulf of Mexico, eventually crashed on
9 shore. We've all seen the pictures. The developers of
10 that project said, "We don't understand how this happened.
11 We designed it to withstand a hurricane." And that
12 project was designed by BHP.

13 I cede the rest of my time.

14 (Applause.)

15 CHAIRPERSON GARAMENDI: You know you're not
16 supposed to do that.

17 (Laughter.)

18 CHAIRPERSON GARAMENDI: Konrad Ulich.

19 Jeremy Meyer.

20 MR. MEYER: Good evening. Thank you for your
21 time. I've been here about seven hours. But I'll try to
22 keep this brief.

23 I'm Jerry Meyer. I'm Director of Humanity's Team
24 of Ventura County, which is a spiritual activism group.
25 Lifetime California resident, nine years here in Oxnard.

1 And what I think I could add to the abundant evidence of
2 why this is not a good idea and why to oppose it is just a
3 consideration of paradigms.

4 There's two paradigms going on here. One is,
5 say, here's continued growth on and into the future
6 forever and ever. The only example I see of that is
7 something called cancer, and it happens in our bodies and
8 it continues until it kills your head and then it dies
9 too.

10 So the other paradigm is sustainability. And so
11 we do that locally here with those to the best of our
12 ability by buying organic, by buying local, by buying
13 California oranges instead of Florida oranges, by buying
14 produce from here instead of from Chile. And it's the
15 same idea with buying more domestic supplies than buying
16 something that is trucked over, eight, nine thousand miles
17 across the world.

18 There's so many other reasons. But that's just
19 one more that I hope will be helpful to you.

20 Thank you.

21 CHAIRPERSON GARAMENDI: Thank you very much.

22 Neal Michaelis.

23 MR. MICHAELIS: Hi. My name is Neal Michaelis.
24 I'm a coastal resident of Ventura County, and I urge this
25 Commission to oppose the Cabrillo Port project.

1 Since this Commission as an agent of the state
2 must comply with the California Environmental Quality Act,
3 let's look at what CEQA says. It is the intent of CEQA
4 and thus the policy of the state to maintain a high
5 quality environment and take all necessary action to
6 protect that environment.

7 I would like to point out the proposed project
8 location is certainly in a high quality environment. Its
9 close proximity to the Channel Islands National Marine
10 Sanctuary makes it quite clear that this area is of high
11 environmental value to not only the State of California
12 but to the nation as well. It is therefore not a suitable
13 area for a large untested, highly pollutant industrial
14 facility.

15 CEQA states that all the agencies of the state,
16 such as this Commission, which regulate corporations which
17 are found to affect the quality of the environment, shall
18 regulate such activities so that the major consideration
19 is given to preventing environmental damage. The final
20 EIR/EIS clearly shows that this proposed port project will
21 cause significant environmental damage which can not be
22 mitigated.

23 CEQA also states that it is the policy of the
24 state to take all necessary actions to provide the people
25 of the state with clean air and water and enjoyment of

1 aesthetic natural and scenic environments. EIR/EIS shows
2 the proposed project will be the largest air pollution
3 source in Ventura County; and, as such, will be placed in
4 one of the highest quality environments in the state.
5 Certainly that puts the proposed project at odds with the
6 intent of CEQA.

7 CEQA, which this Commission must comply with,
8 also requires the long-term protection of the
9 environment --

10 CHAIRPERSON GARAMENDI: Mr. Michaelis --

11 MR. MICHAELIS: -- shall be the guiding criterion
12 for making public decisions.

13 CHAIRPERSON GARAMENDI: Thank you very much.

14 MR. MICHAELIS: Thank you for your time.

15 CHAIRPERSON GARAMENDI: Rabbi Lynn Gottlieb.

16 MS. GOTTLIEB: Shalom to you all.

17 Fellow human beings of planet earth, stewards of
18 the land and the sea. I speak to you as a mother; a
19 religious leader, one of the first ten women rabbis in
20 Jewish history who has had the honor to serve the Jewish
21 community for 34 years; and as a National Council Member
22 of the Fellowship of Reconciliation; and in behalf of the
23 recent death of a wonderful environmental activist, Janet
24 Bloomfield of England.

25 The FOR has enjoyed the support of such esteem

1 members as Albert Einstein, Martin Luther King, Jr., Cesar
2 Chavez, and Dorothy Day. Therefore, as a member of the
3 Board of the FOR, I want to bring to your concern, a
4 national concern considering environmental racism. No one
5 has actually stated this word, "environmental racism."

6 Environmental racism is a form of structural
7 violence in which people of color bear the brunt of
8 terrible environmental decisions time and time again by
9 people who do not receive directly those brunts and who
10 make the decisions for people with whom -- in communities
11 where they do not live.

12 And so as stewards of all of California, I ask
13 you to consider the 80 percent of the people-of-color
14 community that you are making a decision for. And it is
15 also the site of other hazardous places which you have --
16 we've already spoken about.

17 We look at the history of BHP. We know their
18 record of environmental racism, in South Africa and other
19 places. May you have the compassion and the courage to
20 make a decision that does not bring any more environmental
21 racism to the shores of America.

22 Thank you.

23 CHAIRPERSON GARAMENDI: Thank you very much.

24 (Applause.)

25 CHAIRPERSON GARAMENDI: Okay. It's not okay.

1 We've had very strict rules from the beginning
2 and we're not getting it out of control just because it's
3 seven o'clock at night. Okay?

4 (Laughter.)

5 CHAIRPERSON GARAMENDI: The sun's going down, but
6 we're still going to behave. There'll be no
7 demonstrations of any kind in this room. If you want to
8 go outside, that's fine, whatever you'd like to do out
9 there.

10 Do we understand?

11 Is there any doubt in your mind about how we're
12 going to proceed?

13 (Noes.)

14 CHAIRPERSON GARAMENDI: Good. Then let's move
15 on.

16 If you've heard it, so have we, and it's not
17 necessary to repeat it. If you have something really new
18 to add, you should do so. But if you don't, well, then
19 just let it go.

20 Bob Handy, Alan Salazar, Jerome Hopkins, Laura
21 Holtz, Caroline Ball, Cruz Bernardino, and Danny Carrilo.

22 MR. HANDY: Mr. Garamendi. My name's Bob Handy.
23 I'm here representing nobody but my grandchildren and my
24 children.

25 In 1952, at the tender age of 19, I was

1 transferred in the Navy to Port Hueneme, and
2 I understood -- that's the first time in my life I
3 recognized unintended consequences. Across the street now
4 there's housing tracts. Back then there were fields.
5 When the farmers would till their fields and the wind
6 would blow, the wind did not respect the gates of Port
7 Hueneme, and the dust and dirt would come across the base
8 and contaminate us. It would create problems for our
9 allergies and various other things.

10 My grandchildren depend upon me, your
11 grandchildren depend upon you to protect them. So I ask
12 you, please do not allow the unintended consequences of
13 the LNG plant to pollute our children and our
14 grandchildren.

15 Thank you.

16 CHAIRPERSON GARAMENDI: Thank you very much.

17 Alan Salazar.

18 MR. SALAZAR: Thank you.

19 I think I bring something new, also something
20 old. I could say I find it very interesting when I hear
21 people talking. I've been here for 30 years and I'm a
22 second generation, third generation.

23 I represent the people that have been here for
24 over 10,000 years, the Chumash people, and I represent the
25 Brotherhood of Tomol for one, the traditional Chumash

1 paddlers that for over three or four thousand years have
2 built plank canoes in this area and paddled out to the
3 islands up and down the coast. And for approximately 150
4 years we stopped doing it. Not because we didn't want to,
5 but we stopped. And in 2001 we started again. And we
6 built a traditional canoe, this one here. It's about
7 27-feet long. And we've made four crosses from the
8 mainland out to Santa Cruz Island, going right by where
9 this proposed docking station is going to go.

10 And we leave from Channel Islands Harbor here in
11 Oxnard and we paddle out to Santa Cruz Island, the home of
12 the Chumash people.

13 So for our traditional paddlers, for the Chumash
14 people that love this land, you've had a long day and I've
15 been very impressed with your patience and your listening
16 to all the scientists and politicians. And to all those
17 politicians that I made fun of when I talked about the
18 Chumash people and our three levels of world, I apologize.
19 That it's your chance to take and to make the right
20 decision, which is no.

21 And I've been listening. We're very impressed
22 with your leadership skills, Mr. Garamendi. And in a
23 couple years we hope to see more of you.

24 Thank you.

25 CHAIRPERSON GARAMENDI: My skills are only

1 matched by my two colleagues.

2 Alan Salazar.

3 That was you. Excuse me, Alan.

4 MR. SALAZAR: Well, I was hoping you guys would
5 ask a question.

6 (Laughter.)

7 MR. SALAZAR: Feel free to go ahead. I have
8 stories about how we were created here.

9 CHAIRPERSON GARAMENDI: Alan.

10 MR. SALAZAR: Thank you.

11 CHAIRPERSON GARAMENDI: Yeah, It's been a long
12 day.

13 Jerome Hopkins.

14 Jerome Hopkins?

15 Laura Holtz.

16 MS. HOLTZ: I'm very privileged to be here. And
17 I wanted to tell you that you -- I'm a grandmother. And
18 ever since Enron occurred, I've been devoting myself to
19 moving away from fossil fuels, putting in contact
20 fluorescent bulbs, solar tubes. And today I'm having a
21 solar hot water heater put on my roof. And my plan is to
22 put a solar panel on my roof and to take my Toyota Prius
23 and put a plug on it and plug it in so I am fossil fuel
24 free. And I -- there are scores of people in Oxnard in
25 all of this area that are as dedicated as I am. And they

1 have already taken many, many kinds of actions and -- you
2 know, insulating action, double pain windows. Please give
3 them a longer time. We want to go off fossil fuels.
4 Please give us that chance.

5 Thank you for listening.

6 CHAIRPERSON GARAMENDI: Thank you. And Gandhi
7 would approve. Apparently you are the changes you would
8 like to see in the world.

9 Caroline Ball.

10 Luz Bernardino.

11 Or is it Gus? Or is it neither.

12 MS. BERNARDINO: Good evening. My name is Luz
13 Bernardino and I live in Oxnard for more than 22 years.
14 I'm the leader of Centro Mujer. My community, which is in
15 south Oxnard, would be the most affected with this project
16 of LNG that they are wanting to build.

17 We come here to ask the Commission of California
18 Land that they deny the license to BHP Billiton at
19 Cabrillo Port and that they not certify the Environmental
20 Impact Report. We do not want the installation of LNG on
21 our coast.

22 According to the report of environmental impact
23 of the contamination, it would affect and increase the
24 cases of asthma and respiratory illnesses. I have lived
25 with asthma for more than 20 years. I also have two

1 children who suffer with the same problem. Do you know
2 what it is to suffer with asthma? Do you know what it
3 feels like to not be able to breathe, not be able to take
4 oxygen? My children and I do. It feels like you're a
5 fish out of water. It's painful to not be able to
6 breathe.

7 There you have the instruments that I need to use
8 when I suffer with my asthma.

9 Thank you very much.

10 CHAIRPERSON GARAMENDI: Thank you.

11 And you've been translating this entire time.

12 Now, there's a piece of work.

13 We can clap for you and your translation.

14 (Applause.)

15 And so let's get it all out of our system for our
16 court reporter.

17 (Applause.)

18 CHAIRPERSON GARAMENDI: Yes, lots of clapping.

19 Danny Carrilo.

20 MR. CARRILO: Good evening. My name is Danny
21 Carrilo. I'm a county resident, specifically the City of
22 Ventura for over 40 years. I'm also the member
23 representative work site organizer for Service Employees
24 International Union Local 721. We represent 85,000
25 members, includes the local chapters for the City of

1 Oxnard and the City of Port Hueneme.

2 I bring to you tonight another segment of the
3 labor market, of the labor voice that stands for quality
4 of life issues. Our members provide vital services that
5 serve these cities and continue to. We don't believe --
6 SEIU does not believe in jobs today, gone tomorrow. We
7 believe in jobs that will be here as the city has been
8 here, because these -- our members provide, again, vital
9 services. Our families live here, our grandchildren live
10 here, our parents live here. We go to the local schools,
11 we trade here, we go to the local churches.

12 So, again, on behalf of the 85,000 members of
13 SEIU Local 721, we strongly oppose this project as a
14 quality of life issue.

15 Thank you.

16 CHAIRPERSON GARAMENDI: Thank you very much.

17 My colleague, John Chiang, our State Controller,
18 said that this stack kind of reminds him of Sisyphus. No
19 sooner do I get down to a manageable level, then somebody
20 adds another 20 to the bottom of it.

21 Perhaps that's necessary.

22 Okay. Another ten. Here we go.

23 Jim McComb, Shannon McComb. Could the two of you
24 kind of get it together here.

25 (Laughter.)

1 CHAIRPERSON GARAMENDI: Erica Fernandez, Gloria
2 Roman, Marcela Morales, Chris Hernandez -- excuse me --
3 Cesar Hernandez, Beatriz Garcia, and Nancy Shuman.

4 MR. McCOMB: Thank you for coming. My name's Jim
5 McComb. I'm a resident of Oxnard.

6 I just wanted to say one thing. And that was,
7 the Chamber of Commerce has been a bit against this
8 project. They're doing a small group of people and they
9 vote -- the full population of these Chamber of Commerces
10 don't vote. I belong to some of these Chamber of
11 Commerces and it's contrary in its knowledge of business
12 people here -- that are here tonight do not believe in
13 these projects and do not endorse their Chambers'
14 policies.

15 And I cede the rest of my time. Please vote this
16 evening.

17 Thank you.

18 MS. FERNANDEZ: Good evening. My name is Erica
19 Fernandez. I'm a student from Hueneme High School. I
20 live in Oxnard. I'm here representing the youth. I'm
21 just one of many people that are against liquefied natural
22 gas polluting our coast.

23 We, the young people of Ventura County, are the
24 ones who are going to live with this polluting project,
25 not you. This will not only affect health but also well

1 being. Our school's running path to the beach was closed
2 just a few weeks ago due to the polluted Halaco standing
3 next to urban beach.

4 Do we deserve another grossly polluting project
5 in Oxnard? Do we really need to host another powerplant?
6 Is my hometown not worth having beautiful beaches and
7 beautiful views of that ocean? When has Oxnard chosen to
8 run this pipeline through.

9 These are just a few of the questions that I and
10 all of us in blue T-shirts have about this dangerous
11 project.

12 I'm 16 years old and I have big plans for my
13 future and I want to make them a reality.

14 If you allow this project to come into my
15 community, our future will be dependent on a company which
16 has become wealthy at any cost. Do they live here? No.
17 Do they vote here? No. Do their children go to school
18 with me? No. Would you allow us to become their
19 experiments?

20 Commissioners, tonight you are charged with
21 making a very important decision. I ask you, making that
22 decision, I'm asking you to think about the young people
23 of this community. People like me. Look around. That
24 community is present. We are young, old, black, brown,
25 white, rich, middle class, and poor. We are from Oxnard

1 and Malibu. We are united against this project.

2 I ask you once again, we ask you to deny the
3 lease with Cabrillo Port and deny the Environmental Impact
4 Report.

5 Thank you.

6 (Applause.)

7 CHAIRPERSON GARAMENDI: Well, sometimes you just
8 can't contain yourselves, can you.

9 (Laughter.)

10 MS. McCOMB: Hello. My name is Shannon McComb
11 and I'm 12-years old.

12 Please do not forget about the long-term effects
13 your decision will have upon the children. We want you to
14 reject the BHP releases and do not confirm the EIR. I am
15 asking you to do the right thing and consider the future
16 impacts of this decision.

17 Please listen to the children of California and
18 protect our health and environment. California can truly
19 be the leader in reducing greenhouse gases by rejecting
20 LNG. LNG is too costly at any price. Protect our coast
21 or eat burnt toast.

22 Thank you.

23 (Laughter.)

24 CHAIRPERSON GARAMENDI: Okay. Got a lot of slack
25 there.

1 (Laughter.)

2 CHAIRPERSON GARAMENDI: John, do you remember
3 your 16th year?

4 COMMISSIONER CHIANG: It's been a long time ago.

5 CHAIRPERSON GARAMENDI: Yeah, it was a long time.

6 But I thought that was my glory year, but I don't know.

7 (Laughter.)

8 CHAIRPERSON GARAMENDI: I should of stuck closer
9 doing that

10 (Laughter.)

11 CHAIRPERSON GARAMENDI: They were good.

12 COMMISSIONER CHIANG: They're great kids.

13 CHAIRPERSON GARAMENDI: Thank you.

14 Awe, 16.

15 Okay. Here we go. Back at it.

16 Gloria Roman.

17 MS. ROMAN: Good evening, gentlemen. I also have
18 a long -- I'm going to make it short too out of respect
19 for everyone and yourselves.

20 I'm not an expert, gentlemen, or a scientist on
21 this LNG. This is -- you haven't heard this. But I am a
22 woman and a grandmother. And I have four beautiful
23 grandchildren, two of which are here with me watching
24 democracy in progress. They are the reasons why I'm here.

25 Ask the women in your life. We women have a 6th

1 sense. A lot of sense in here, gentleman, is danger.
2 Danger for my grandchildren and my community. We are
3 living in an -- at an age of terror.

4 Just tell me who in their right mind would think
5 of stationing an exploding terminal too close to two
6 military bases and their test range? You heard the rest.

7 Thank you.

8 CHAIRPERSON GARAMENDI: Thank you.

9 I do have five daughters and a wife.

10 (Laughter.)

11 CHAIRPERSON GARAMENDI: And I have a fair
12 understanding of that 6th sense.

13 (Laughter.)

14 CHAIRPERSON GARAMENDI: At least I heard it
15 before.

16 (Laughter.)

17 CHAIRPERSON GARAMENDI: Okay. Maricela Morales,
18 Mayor of Port Hueneme.

19 MAYOR MORALES: Good evening, members of the
20 California State Lands Commission. Chair Garamendi,
21 Member Chiang, Member Sheehan.

22 Hueneme stems from a native Chumash word meaning
23 resting placing. This region has not rested for the last
24 four years under the threat of this experimental unsafe,
25 unhealthy project.

1 You have heard from staff. You have heard from
2 the applicant. You have heard from experts. The people
3 the community, the public are now here. This community
4 comprises the taxpayers and voters entrusting you to
5 protect the public safety, to protect the public's health,
6 to protect the natural environment. We believe you three
7 decision makers, including Member Sheehan, who's not here
8 at this moment, will stand with the community.

9 Today we are asking you to vote on the side of
10 air quality. Today we are asking you to vote on the side
11 of fossil fuel independence. Tonight we are asking you to
12 vote on the side of the environment. Tonight we are
13 asking you to vote in solidarity with the people of
14 California.

15 Mr. Garamendi, will you stand with this community
16 and deny the certification of the EIR and the lease of
17 public lands?

18 Mr. Chiang, will you stand with this community
19 and deny the certification of the EIR and lease of lands?

20 And for the record, Member Sheehan, will you
21 stand with this community and deny the certification of
22 the EIR and the lease of public lands?

23 Tonight, the community is eager to hear on behalf
24 of who and what you stand.

25 Thank you.

1 CHAIRPERSON GARAMENDI: Thank you, Mayor.

2 Cesar Hernandez.

3 Beatriz Garcia.

4 Nancy Shuman.

5 Thank you.

6 Mark Shuman.

7 Carol Kurts, Alez Garcia, Eugene Hubbard, Avie

8 Guerra, Linda Coudert.

9 If I call your name, just come on up. I'm just
10 going to keep running through these names. And there's
11 some seats up here.

12 I guess I better stop and give everybody --

13 MS. GARCIA: I don't have to get up, but -- as
14 you can tell what side I'm on. And I just want you to
15 consider social and environmental.

16 Thank you for being here. Thank you for your
17 patience.

18 CHAIRPERSON GARAMENDI: Thank you.

19 I'll go through these quickly.

20 Mark Shuman.

21 Carol Kurts.

22 MS. KURTS: I'm Carol Kurts. And I am opposed to
23 the project.

24 And I'd like to yield my time to my husband, Jack
25 Nicholl, who would like to speak on behalf of the American

1 Lung Association.

2 CHAIRPERSON GARAMENDI: We could do that.

3 MR. NICHOLL: Okay. Thank you very much.

4 The American Lung Association of California
5 issued a position paper this morning on this project.
6 I'll briefly cover it.

7 The association is concerned about the adverse
8 air quality impacts that will be generated by the Cabrillo
9 Port. In the most recent American Lung Association State
10 of the Air Report, both Ventura and Los Angeles Counties
11 were listed in the top 25 most polluted counties in the
12 nation for ozone air pollution, ranked number 5 and 13
13 respectively. The American Lung Association is concerned
14 about the prospect of adding to the already overburdened
15 air pollution load in these two counties.

16 Ozone air pollution is a powerful respiratory
17 irritant that can actually cause chemical burns of lung
18 tissue. Symptoms include shortness of breath, chest
19 pains, wheezing, and coughing. Long-term exposure can
20 lead to significant reductions in lung function and can
21 exacerbate lung diseases like asthma.

22 Asthma is a serious problem in Ventura and L.A.
23 counties, with more than 90,000 people in Ventura County
24 that have asthma and 1.1 million people in L.A. County
25 that have asthma.

1 The American Lung Association of California would
2 like to request you to address the issues that have been
3 raised in the letter which I will give you and by other
4 agencies regarding the air quality impacts of this
5 project.

6 Thank you.

7 CHAIRPERSON GARAMENDI: Thank you very much, Mr.
8 Nicholl.

9 COMMISSIONER CHIANG: Quick question.

10 Where was Ventura County ranked and where was Los
11 Angeles?

12 MR. NICHOLL: Los Angeles was number 5 of all
13 counties in the United States and Ventura County was
14 number 13 of all counties in the United States.

15 CHAIRPERSON GARAMENDI: Thank you.

16 Thank you very much.

17 Alez Garcia.

18 Eugene Hubbard.

19 MR. HUBBARD: Eugene Hubbard. I yield my time.

20 And please vote no.

21 CHAIRPERSON GARAMENDI: Thank you.

22 Linda Coudert.

23 Manuel Lopez -- I'm going to go through another
24 ten names here. Manuel Lopez -- Dr. Manuel Lopez, Will
25 Reed, Reed Pakes -- excuse me, it's getting late -- Jean

1 Pakes -- I think it's P-a-k-e-s, is that -- Mary
2 McClenning, Alison O'Neill -- Alison Ayers O'Neill, Scott
3 McClenning.

4 Ah, yes, Scott and Mary. Apparently they live at
5 the same place. And I'm sure they communicated a similar
6 message.

7 Donna Worley.

8 Okay. Let's go. Who's up first? Who's here at
9 the microphone?

10 Dr. Manuel Lopez.

11 DR. LOPEZ: Thank you very much. I'm Dr. Manuel
12 Lopez. My family has been in the area since the 1890s.
13 And I was involved with the City of Oxnard as an appointed
14 and elected official since 19 -- from 1965 to three years
15 ago when I did not run for mayor after serving as the
16 mayor for 12 years.

17 The City of Oxnard has always been criticized. A
18 lot of it is self-criticism because our turnouts have
19 always been -- has always been very low. But the
20 importance of the issue that is being discussed tonight is
21 very apparent to me because of the tremendous turnout that
22 we have had here today and throughout the process.

23 And All I -- I'm not going to repeat any of the
24 things that have been said, mercifully. But I would just
25 like to encourage you to listen to the testimony that has

1 been presented, to look at your staff report. There are
2 ample reasons why the project should be denied and
3 encourage you to deny it.

4 Thank you very much.

5 CHAIRPERSON GARAMENDI: Thank you.

6 William Reed.

7 MR. REED: Hello, Chair, members of the Board.

8 My name is Will Reed. I am a resident of the City of
9 Oxnard. I am the President of the Santa Barbara Hispanic
10 Chamber of Commerce. And I am speaking on behalf of the
11 California Hispanic Chamber of Commerce.

12 First, I want to thank the California State Lands
13 Commission and their staff for the past three years of
14 their work. And I am speaking in support of this project.

15 The California State Hispanic Chamber of Commerce
16 represents some 600,000 businesses throughout the State of
17 California and also many hard working families. And we
18 are very much in support. We know that there needs to be
19 some alternatives to the fuel and other sources of energy.
20 But we've not had any other alternatives presented to us,
21 not very many.

22 Currently the City of San Monica and LAX shuttles
23 all at once -- particularly Santa Monica, their city buses
24 run on liquefied natural gas right now. All of the buses
25 within Ventura County run on what's called CNG, compressed

1 natural gas, which is another form of natural gas.

2 And what we -- we're just supporting this project
3 because evidently we need to find some other alternative
4 sources of energy, and right now this is the best thing we
5 have.

6 Thank you.

7 CHAIRPERSON GARAMENDI: Thank you very much.

8 Jean Pakes.

9 MS. BURNETT: Jean Pakes had to leave. She ceded
10 me her time. My name is Barbara Burnett.

11 A couple of years ago I came before another
12 committee in the community at another meeting and asked
13 the same question I'm going to ask tonight. The facts as
14 I understand them are these: California's population is
15 increasing at an alarming rate and it's estimated by the
16 year 2010 that 40 million residents will be putting
17 increased demands on our infrastructure. I'm not here
18 tonight to debate the right or wrong of this border issue.
19 But I'm just stating that the results are an established
20 fact. And the results of this issue's problems have
21 already caused hospitals to close their emergency rooms,
22 our schools are overpacked. And I have read somewhere
23 recently that we have to build one school every day just
24 in order to keep up.

25 Now, these same million people are also going to

1 be making demands on our energy. And I just want to know:
2 Where are we going to get it if we don't go with this
3 project? I understand about wind. I understand about
4 solar. But they're not up to speed at this point. So
5 where do we go from here? Right now this project seems to
6 be the best that we've got on the board. And I lived in
7 the real world. I've got to have energy there to cook my
8 food and to heat my house. And I need to ask: Who's
9 going to be there for my grandchildren? These people are
10 all asking about their grandchildren, what they're going
11 to need to keep their homes and feed their families too.
12 So I do support this program.

13 Thank you.

14 CHAIRPERSON GARAMENDI: Thank you.

15 Mary McClenning.

16 MS. McCLENNING: Excuse me while I've been
17 talking an hour out there. So I'm hoping for a tragedy.

18 My name's Mary McClenning and I'm representing
19 also my husband Scott McClenning. And I am for this
20 project because, as Barbara said, "Where are we going to
21 get our energy?" Solar, wind? I live in a apartment.
22 I'd like to know how in the world I am going to put solar
23 on my balcony. I can't even get my manager to let me have
24 a little disk for my TV. I mean I have to go through
25 hoops just to get anything to put on my balcony, or

1 anything. When you don't own your own home and you have
2 to have -- you have to have heat and you have to have --
3 you have to cook. Where are we going to get this?

4 And also, the way I feel about getting it from
5 Australia, they're our allies. They're our friends. Why
6 won't we if they're going to -- if it's clinical and it's
7 clean and it's scientifically safe from what all I can
8 understand from all I have read, then why, why is all of
9 this nonsense about it's going to blow up, we're going to
10 have an earthquake? Well, I had more chance to get hit
11 out in the parking lot or someone to pop me over the head
12 because I'm for LNG. You know, I just --

13 CHAIRPERSON GARAMENDI: Thank you very much for
14 your --

15 MS. McCLENNING: That's the way I feel.

16 CHAIRPERSON GARAMENDI: Thank you very much.

17 Donna Worley.

18 MS. WORLEY: Thank you for allowing me to speak
19 to speak to you today.

20 What I'm going to say is that -- you probably
21 have heard it, but you haven't heard it today, so I'm
22 going to say it again really loud and clear. I'm not
23 buying all this hype. I don't think you should either. I
24 don't think this is about environmental issues. I don't
25 think it's about the fish. I think it's about some people

1 down in Malibu that don't want their ocean view blocked
2 and I think they've spent a lot of money to scare a lot of
3 people to death.

4 I think that LNG is the cheapest, the safest,
5 most efficient way that California can have energy. And
6 we can't allow our energy costs to keep going up. It's
7 not good for our ag -- we have 25,000 ag workers here in
8 Ventura County, we have 25,000 in Santa Barbara county.
9 And those people can -- that's the people that virtually
10 put the food on our tables. They cannot afford for their
11 costs to keep going up the way the energy costs are going
12 up.

13 These people are being just scared to death by
14 some people that have spent a lot of money to influence
15 them that this is going to be a bad, bad thing. We all
16 know that it's going to be a good thing for California.
17 We need natural gas.

18 Thank you for your consideration.

19 CHAIRPERSON GARAMENDI: Thank you very much.

20 Alison O'Neill.

21 MS. O'NEILL: Good evening.

22 I'm opposed to the BHP terminal. I'm a
23 third-generation Californian. My great grandfather
24 arrived in Ventura County on January 1st, 1876.

25 I've been hearing about earthquakes ever since

1 I've been a young child. My father told me the 1925 Santa
2 Barbara earthquake was responsible for the fireplaces in
3 our family home in Santa Paula being destroyed, so we can
4 no longer have a fireplace.

5 In 1970 I was a freshman at UCSB. There was an
6 earthquake that caused the eucalyptus trees to lean over
7 so significantly they were almost kissing the earth.

8 I've also been here for the Northridge
9 earthquake.

10 I believe these are significant issues. I think
11 in Ventura County the issue is not if there'll be another
12 earthquake. It will be when.

13 Thank you very much.

14 CHAIRPERSON GARAMENDI: Thank you.

15 Okay. We're going to go through another ten
16 names.

17 Let me just remind you you're not compelled to
18 speak.

19 (Laughter.)

20 CHAIRPERSON GARAMENDI: Ellen Harvey, Francisco
21 Romero, Sol Porras, Roger -- come on, Roger, you could
22 have done better here. James Merrill, Gerald Levy, David
23 Rodriguez, Bailey Morris, Michael Chega.

24 COMMISSIONER CHIANG: Edward M. Castillo, and
25 Roger Pariseau, who's Chair of the Fremont North

1 Neighborhood Council.

2 CHAIRPERSON GARAMENDI: Well done, John.

3 (Laughter.)

4 MR. MERRILL: I guess I'll go.

5 And good evening. My name's James Merrill. I'm
6 a member of the Ocean View School District Governing Board
7 and a past Chair of the Terra Vista Neighborhood Council.

8 I'm speaking this evening though as a private
9 citizen however and not representing either of those
10 bodies.

11 My primary concerns nevertheless are about the
12 negative effects of the LNG project on my neighbors,
13 especially the negative effect on the educational
14 opportunities for the children in the Ocean View School
15 District.

16 Cut that paragraph, cut that paragraph, cut that
17 paragraph, cut that paragraph. Just such good stuff.

18 Okay. Thank you.

19 CHAIRPERSON GARAMENDI: Written testimony
20 accepted.

21 (Laughter.)

22 MR. MERRILL: My more particular concerns are
23 more specific than many that I have heard tonight, and
24 they're with the Center Road pipeline, the high pressure
25 pipeline proposed to run in part down Hueneme Road. I'm

1 not going to address the fear of explosions, which is
2 always hypothetically a possibility. The very real and
3 existing problem with the pipeline is it will make it very
4 likely impossible the Ocean View School District as well
5 as the high school district to locate new schools to serve
6 expected growth in the southland of Oxnard, forcing
7 overcrowded schools serving large Latino Mexican Chicano
8 communities for the high percentage of free and used --
9 this is environmental injustice.

10 Superintendent Carroll's letter, which you have,
11 provides some specific details. And I'm going to be more
12 direct. The EIR includes information about clarified
13 homes plans to develop southshore communities to the north
14 of Hueneme Road directly to the south of existing service
15 neighborhood. This plot of land has high voltage
16 powerlines on one side and pipelines on another side. The
17 high pressure gas pipeline will make it almost impossible
18 to site schools.

19 Thank you.

20 CHAIRPERSON GARAMENDI: Thank you very much.

21 Sol Porras.

22 Francisco Romero.

23 MR. ROMERO: Thank you. I'll be yielding my
24 time. I just want to mention a document I'll be turning
25 in.

1 Sol Porras is not here. She gave me the Luisa
2 Moreno - Human Rights Committee and the articles of the
3 numbers of declaration of human rights that we believe are
4 being violated with this project, one. Two is just a
5 personal letter from my family and myself as lifetime
6 residents here. I'll hand that over.

7 Thank you, sir.

8 And last week we brought a document entitled --
9 92 pages entitled "Our Responsibilities to the 7th
10 Generation - Indigenous People with Sustainable
11 Development." Please look at pages 70 through 80 in your
12 thoughts for today.

13 Vote no. Please consider those words.

14 Thank you.

15 CHAIRPERSON GARAMENDI: Excuse me, sir. We need
16 your name.

17 MS. ROMERO: Sorry about that.

18 My name is Francisco Romero. I live in Oxnard.

19 CHAIRPERSON GARAMENDI: Thank you.

20 We're using your time. What's your name?

21 MR. CASTILLO: Good evening, sir.

22 Mr. Lieutenant Governor, Mr. State Controller,
23 members of the Commission. My name is Edward Castillo,
24 proud resident of State of California, proud resident of
25 the City of Oxnard. I'm here tonight with my daughters,

1 Vanessa and Marissa are with me. And they're the reason
2 why I'm here tonight.

3 I respectfully request the record to show that my
4 family is a hundred percent against the approval of BHP
5 off our coastline. The reason being, there is no
6 mitigation measure in place guarantying the safety,
7 health, and welfare of our children in our community.
8 Beings the successful terrorist attack -- there is no
9 guarantee the loss of lives, especially that of our
10 children, our future. Therefore, I respectfully request a
11 "no" vote to take place prior to this Commission
12 adjourning this evening.

13 Someone said earlier they're scared to death,
14 yes. No one thought those two towers were coming down
15 back in 9/11. Anything could happen as well if the
16 terrorists really wanted to.

17 Not too long ago I stood in front of the room --
18 I won't mention any names -- they asked for my support.
19 And I gave them that support, a vote of confidence. And I
20 stand here before you tonight requesting that same
21 courtesy in return, a "no" vote for LNG.

22 With that, thank you for your time and your
23 patience and your attention. Good night.

24 CHAIRPERSON GARAMENDI: Thank you.

25 Ellen Harvey,

1 COMMISSIONER CHIANG: Roger Pariseau.

2 MS. HARVEY: Hi. My name's Ellen Harvey and I
3 live here in Oxnard. I'm a native Californian. I'm a
4 teacher and representing the teachers of the children of
5 our community and California.

6 I'd just like to say I have your letter answered,
7 so I already wrote all the details why we shouldn't have
8 it, so I'll make it real quick.

9 You said you would like to look at the needs of
10 the public. I think it's clear here what the needs of
11 public is. If you look at the facts of the situations, I
12 think it's clear that the facts are that there's no proven
13 need for this project. It's an experimental project, and
14 it has too many problems and too much pollution to keep
15 the quality of life in our environment.

16 And I have 17 letters from my students with
17 pictures, that they want a beautiful California for their
18 generation, generations to come. They all say, "Please
19 don't do this," to keep our coast beautiful and our
20 community.

21 CHAIRPERSON GARAMENDI: Thank you.

22 MS. HARVEY: Thank you.

23 CHAIRPERSON GARAMENDI:

24 Roger Pariseau.

25 Francisco Romero.

1 Michael Chega.

2 Bailey Morris.

3 David Rodriquez.

4 Gerald Levy.

5 BAILEY MORRIS: Hi. My name's Bailey Morris. I
6 also have asthma. It is hard to -- I take medicine every
7 day. It is hard to for me. And if you put in LNG, it's
8 going to be hard too.

9 My mother will cede the rest of the time.

10 MS. MEYER-MORRIS: Hello. My name is Deborah
11 Meyer-Morris. I'm President of Oxnard Council PTA. I
12 turned in a speaker card at 9:10 this morning and I have
13 not heard my name called.

14 I'll make it brief.

15 I represent 16,000 children from PTAs in the
16 Oxnard area. We've previously taken a position against
17 this because of the air quality and the health risk.

18 I sat through the morning briefing. And I wanted
19 to point out a couple of things I was not quite certain
20 were adequately addressed. One was Dr. Wolford's
21 analysis. He did a risk analysis, but it's all off shore.
22 And I'm asking: Where is the on-shore risk analysis, the
23 risk analysis of the pipeline exposure for my children and
24 for the other children in the city of Oxnard? I didn't
25 hear that in the report. No analysis of acts of God, such

1 as earthquakes, either.

2 Also, we heard from the attorney representing the
3 BHP Billiton that he had somehow purchased six tons of
4 banked emissions from an unknown entity. I think we
5 should have a full disclosure of that. And I'm wondering,
6 how is the purchase of six tons of banked emissions that
7 are eight years old consistent with AB 32 and the
8 California legislative intent to reduce greenhouse
9 emissions?

10 Thank you for your consideration. Please deny
11 the permit.

12 CHAIRPERSON GARAMENDI: Thank you very much.

13 (Applause.)

14 BAILEY MORRIS: Thank you.

15 CHAIRPERSON GARAMENDI: You're more than welcome.

16 Thank you.

17 Gerald Levy.

18 David Rodriquez.

19 Michal Chega.

20 Francisco Romero.

21 Roger Pariseau.

22 The stack's going down.

23 John Evans, Ryan Hart -- Ed Hart rather, Maree

24 Penhart, John Osmand, Jill Martinez, Frank Gavaller, Jean

25 Rountree, Russ Baggerly.

1 Apparently two of you are here.

2 John Evans, or whomever you are.

3 MR. FLEISCHER: Good evening. My name is Steve
4 Fleischer. I turned in a card about 10 o'clock. You
5 haven't called my name.

6 CHAIRPERSON GARAMENDI: Well, I'll call your name
7 in a few moments then.

8 MR. FLEISCHER: All right. Thank you.

9 CHAIRPERSON GARAMENDI: Are you speaking out of
10 order? Apparently.

11 (Laughter.)

12 MR. FLEISCHER: Yeah, yeah. My card hasn't come
13 up.

14 CHAIRPERSON GARAMENDI: Well, it's here in the
15 stack. Why don't you sit down for a few moments and I'll
16 get to you.

17 MR. BAGGERLY: Chairman Garamendi and members of
18 the Commission. Thank you for being here. My name is
19 Russ Baggerly.

20 I'm a southern California native. That means I
21 have a lifetime of investment in my state. I'm also a
22 California voter. And I know that my vote was invested in
23 two of you that sit on this Commission, along with many
24 other people.

25 Our investment in you is trust that you will

1 protect the people here in Ventura and Los Angeles County
2 and our public trust values. You've heard much credible
3 evidence today. You have enough to deny this project.
4 Actually if you don't certify the EIR, the project is
5 dead. Please do so.

6 Thank you.

7 CHAIRPERSON GARAMENDI: Thank you very much.

8 I'll go through this list of names again.

9 Maree Penhart.

10 John Osmand.

11 Introduce yourself.

12 MS. PENHART: My name is Maree Penhart. And I
13 would like to cede my time, ask you to vote against the
14 project, along with many, many thousands of others
15 Australians.

16 But I'd like to make a suggestion perhaps that
17 will make things move along. Perhaps when you call our
18 names, rather than moving on to the next one, could we
19 stand up in our place and state our point of view, and
20 then cede our time if we want to, to move along?

21 CHAIRPERSON GARAMENDI: I've tried that twice
22 before and it seems to have not diminished the stack of
23 names here.

24 MS. PENHART: Okay.

25 CHAIRPERSON GARAMENDI: But thank you very much

1 for the offer. I wish it were true.

2 John Osmand.

3 Jill Martinez.

4 Frank Gavaller.

5 Jean Rountree

6 MS. ROUNTREE: I've already spoken.

7 CHAIRPERSON GARAMENDI: Beacon Foundation.

8 Did you put in three cards?

9 (Laughter.)

10 MS. ROUNTREE: Only two.

11 (Laughter.)

12 CHAIRPERSON GARAMENDI: Sir, please, go ahead.

13 MR. GAVALLER: My name is Frank Gavaller. I'm a

14 resident in Ventura County. I'm a retiree from the

15 Southern California Gas Company. I believe it is good

16 evening. I'll cut to the chase on the introductions.

17 I believe it is disingenuous to say that there's

18 a shortage of gas, as we are importing over 85 percent at

19 this time. We're it not for the utility companies

20 installing large inch high pressure gas lines over 50

21 years ago, this community in a large part would not exist.

22 Most of California -- southern California at least would

23 not exist because it would not be developed. Most of the

24 people here would not be here because this would not have

25 been developed.

1 The problem of contamination over the years,
2 industry has been weaned off of number 2 and number 6 oil
3 and replaced with cleaner burning -- much cleaner burning
4 natural gas. And that has reduced emissions by -- I
5 remember the smog back in the early fifties. That is for
6 all intents and purposes gone.

7 CHAIRPERSON GARAMENDI: The asthma that has been
8 alluded to here has been here before LNG. LNG is still in
9 the planning state.

10 Frank, thank you very much for your testimony.
11 We appreciate it.

12 Jill Martinez.

13 Steve, we're going to get to you in a few
14 moments. If we don't find your name in here, we'll get to
15 you.

16 John Osmand.

17 Russ Baggerly.

18 MR. BAGGERLY: Already spoke.

19 And John Evans.

20 Okay, Steve. Just because you've been so nice.

21 MR. FLEISCHER: Thank you. I've been called
22 other things.

23 (Laughter.)

24 CHAIRPERSON GARAMENDI: Me too.

25 MR. FLEISCHER: I'll reserve my judgment.

1 (Laughter.)

2 MR. FLEISCHER: I was going to say something that
3 hasn't been said today. I too am against it for a reason
4 that hasn't been mentioned, or it was touched on briefly.

5 We have in Oxnard on our east border an airport,
6 right in the heart of our city an airport, right cutting
7 through the middle of our city a railroad. For these
8 reasons, we can't site a school almost any place. We now
9 have the Halaco superfund site down on the south end of
10 Pettit that exacerbates things.

11 If this new monstrosity is put through our
12 agriculture land, you're taking away another ten-mile
13 strip that we can't -- we have no choice of what to build
14 on.

15 We're down to where siting schools now is -- it
16 takes us forever. And then we're turned down a couple
17 times.

18 So thank you for your time. I know you'll do the
19 right thing.

20 CHAIRPERSON GARAMENDI: Thank you.

21 Well, I think I have Jaime here, but I can't make
22 out the last name. So if there's somebody out there by
23 the name of Jimmy or Jaime and you really want to speak --

24 MS. SALINAS: Josie, sir.

25 CHAIRPERSON GARAMENDI: No, that's not Josie.

1 But I can't -- Wayne Dey.

2 Wayne Dey, Rebecca Ralph, John Yarbrough --
3 excuse me -- Jim Yarbrough, Danusia Larsen, Anthony
4 Chavez, George Shaw.

5 You're ready to speak?

6 MR. DEY: Yes, I'm ready.

7 CHAIRPERSON GARAMENDI: Please do so.

8 MR. DEY: Hello. My name is Wayne Dey. I'm a
9 civil engineer. And in the past I've been on national
10 committees of alternative energy systems.

11 And 25 years ago up in Seattle there was -- some
12 companies had 125, 150 vehicles on natural gas. And also
13 important on the taxicabs were all running on natural gas.

14 And I think this project -- the people don't see
15 the thing. They're talking about pollution. This thing
16 could prevent 85 percent of the pollution in Ventura
17 County and L.A. County. I used to live at the east end of
18 Los Angeles. You couldn't see across the valley for six
19 months during the summer because of the pollution. And
20 they said 85 percent of it was from cars. If they used
21 natural gas -- if everybody used natural gas and if they'd
22 eliminate using gasoline, diesel fuel and eliminate 99
23 percent of the pollution that we have in Ventura County
24 and in Los Angeles County.

25 So I think the project would be good in the end

1 and would prevent a lot of asthma that people are
2 complaining about that we have right now.

3 Thank you.

4 CHAIRPERSON GARAMENDI: Thank you very much, Mr.
5 Dey.

6 Rebecca Ralph.

7 Jim Yarbrough.

8 Danusia Larsen.

9 Did I even get close?

10 MS. LARSEN: I'm Danusia Larsen.

11 I'll be short, I promise.

12 I'm a business owner of four companies and --

13 CHAIRPERSON GARAMENDI: And your name is?

14 ACTING COMMISSIONER LARSON: Danusia Larsen --
15 Danusia.

16 I'm a taxpayer and an active voter. And as we
17 all are here, we are asking you -- how you vote on this
18 project will send a message loud and clear as to how much
19 you care for those who pay your salary and about how you
20 consider global warming and where you stand about this
21 planet.

22 We ask you please, please just say no.

23 CHAIRPERSON GARAMENDI: Thank you.

24 Rebecca Ralph.

25 Jim Yarbrough.

1 Anthony Chavez.

2 MR. YARBROUGH: I have my statement prepared.

3 But we want to see how you're going to vote so I'm ceding
4 my time.

5 CHAIRPERSON GARAMENDI: Yeah, but your name is?

6 MR. YARBROUGH: Jim Yarbrough, and I oppose the
7 LNG port.

8 CHAIRPERSON GARAMENDI: Thank you.

9 Thank you for coming to the Oxnard Planning.
10 I've been here since I was two years old.

11 I'm going to make this short.

12 When this first developed with BHP I dumped all
13 my oil stocks and purchased solar energy stocks. I trust
14 you will show the same kind of example, at least I hope
15 you do.

16 And there's a gentleman here who's been waiting
17 here since ten o'clock this morning who's not yet been
18 heard.

19 Thank you.

20 CHAIRPERSON GARAMENDI: An wait a minute. We
21 need your name.

22 MR. CHAVEZ: I'm sorry. Anthony Chavez. I'm
23 from the Oxnard Planning. And I definitely oppose this
24 proposition.

25 CHAIRPERSON GARAMENDI: Thank you very much,

1 Anthony.

2 Is there somebody at the end whose name hasn't
3 been called?

4 Okay. Rebecca Ralph.

5 You keep raising your hand, but I don't see your
6 name here.

7 MS. SALINAS: Josie Salinas.

8 CHAIRPERSON GARAMENDI: Do you want to come up
9 and just testify? You've tried five times already.

10 MS. SALINAS: Thank you, sir. My name is Josie
11 Salinas. I'm not here to represent any corporation. I
12 don't have a luxury home.

13 I speak for mother earth and the next generation.
14 I hope that I speak from my heart. We all come from the
15 same tree, the human race. My mother taught me not what's
16 right or wrong. But to do right.

17 And I'm going to thank you in advance for not
18 passing this, sir and ma'am. Women are safer because we
19 are all life givers. We were all once in our mother's
20 water bag. Do not pollute the waters, for she is sacred.

21 I beg of you, I beg of you, and I thank you in
22 the same sentence. I ask my brothers and sisters out here
23 to give up your time, because I know all of you brothers
24 and sisters in front of me are tired, so that you can
25 vote, so that you can vote. And I thank you in advance

1 for not passing this. I thank you from my breath.

2 Thank you, sir, for your patience, ma'am, too.

3 Let's go home. Let's thank them in advance for
4 not passing this.

5 CHAIRPERSON GARAMENDI: Okay. Now, we're not
6 demonstrating inside. If you feel the need to
7 demonstrate, the doors are on the side and the back and
8 you can just go outside.

9 George --

10 COMMISSIONER CHIANG: George Shaw, Field
11 Representative, Department of Education.

12 CHAIRPERSON GARAMENDI: Okay. Neither of us know
13 how to pronounce it.

14 Shaw?

15 George, if you're around, it's your turn.

16 Okay. Bonnie Dean, Marcia Marcus, Michael
17 Rhodes, Ruth Jensen, David Follin.

18 Well, you guys must be getting tired too, because
19 your writing has really gone downhill.

20 (Laughter.)

21 CHAIRPERSON GARAMENDI: Josie.

22 COMMISSIONER CHIANG: She's already been called.

23 MS. SALINAS: Have a nice evening. Thank you.

24 CHAIRPERSON GARAMENDI: You had your turn, Josie.

25 Thank you, thank you.

1 Go ahead.

2 DR. DEAN: My name is Dr. Bonnie Dean. And I
3 thank you for your time.

4 Proposition 65 was crystal clear: Natural gas is
5 not only hazardous and a toxic pollutant, but on the
6 state's list of substances known to cause cancer and
7 reproductive harm. Again, it's on the state's list of
8 substances known to cause cancer and reproductive harm.

9 My philosophy is prevention. I read the
10 disclaimer that Sempra sends in my gas bill. Do you?

11 People say they just throw the inserts away. I
12 asked them. Yet they say no more pollution.

13 When you say no to BHP LNG, I will breathe
14 easier.

15 Thank you. I cede the rest of my time.

16 CHAIRPERSON GARAMENDI: Thank you.

17 I notice there are several perhaps dozen or a
18 hundred people standing outside. There looks to me to be
19 about 50 chairs inside. If any of you would like to enjoy
20 the atmosphere inside this building, you're welcome to
21 come in, because there are chairs.

22 Okay. Marcia Marcus.

23 Michael Rhodes.

24 Ruth Jensen.

25 David Follin.

1 MR. FOLLIN: Good evening. I'm David Follin.
2 And I'd like to say history seems to always repeat itself.
3 If we do not learn from history, we have a lot of
4 difficulties.

5 The combination of the energy companies and
6 government has never quite worked. Whenever we've had
7 promises that the energy is good, there'll be no gas
8 leaks, no oil leaks, the oil tankers never leak, the
9 pipelines are as good, it's never that way.

10 We had the Valdez oil tanker in Alaska when we
11 were in Alaska.

12 We had the oil slick that we have in Santa
13 Barbara in the 1970s. It ruined Santa Barbara for quite a
14 period of time.

15 We had nuclear energy problems too, where
16 everybody leaks with nuclear energy.

17 What we need is something that's going to be safe
18 for the people. We need not just promises from the big
19 companies and from the government. We would need proof to
20 show what can be done and how we can be protected. And
21 unfortunately that doesn't often happen.

22 I hope for once we try to learn from the past, we
23 try to put it in to perspective, and we realize that what
24 is happening with the energy companies who've made
25 promises about no leaks, pipelines being safe and

1 everything else, it's not true.

2 We need more study on this. We need more people
3 to be involved in this. And I just hope that we learn
4 from the past and history does not repeat itself.

5 Thank you.

6 CHAIRPERSON GARAMENDI: Thank you very much.

7 Okay. Let's see where we are.

8 Michael Villegas.

9 Michael Villegas.

10 Okay. Ten more names coming up -- well, I
11 suppose this might be -- is this Michael?

12 MR. VILLEGAS: Yes, it is.

13 CHAIRPERSON GARAMENDI: Introduce yourself and go
14 for it.

15 MR. VILLEGAS: Chair Garamendi, members of the
16 Commission.

17 CHAIRPERSON GARAMENDI: Pull that microphone up
18 and let's hear from you.

19 MR. VILLEGAS: Chair Garamendi, members of the
20 Commission. I'm Mike Villegas, Air Pollution Control
21 Officer for the Ventura County Air Pollution Control
22 District.

23 I'm here this evening to advise your Commission
24 of the position of the district and our board. We believe
25 our Rule 26, New Source Review, applies to this project.

1 This position has been articulated in our letter of
2 November 14th, 2006, to the United States Environmental
3 Protection Agency. We believe that compliance with this
4 rule will address the air quality concerns related to this
5 project.

6 Thank you.

7 CHAIRPERSON GARAMENDI: So if Rule 26 applies,
8 what does that mean to this project?

9 MR. VILLEGAS: It would require -- there are two
10 main requirements of new source review. The first is best
11 available control technology. And EPA, who's been the
12 lead permitting agency, will be making that determination.
13 And I believe that EPA and the project proponent are quite
14 close on that final determination.

15 It would also require emission offsets for the
16 stationary unit regarding the storage of a gasification
17 unit and the emissions from a tanker while they're
18 actually pumping LNG into the stationary unit at a ratio
19 of 1.3 to 1 in Ventura County, our new nonattainment area.

20 CHAIRPERSON GARAMENDI: Well, let me make sure I
21 understand. You're suggesting that the EPA may actually
22 apply Rule 26?

23 MR. VILLEGAS: At this time I'm not certain on
24 that determination. What I was stating is it looks like,
25 from a best available control technology, things are going

1 to work out to that effect. The remaining issue would be
2 emission reduction credits.

3 CHAIRPERSON GARAMENDI: If rule 26 were to apply,
4 then the mitigation in this is not sufficient?

5 MR. VILLEGAS: At this point the mitigation would
6 not meet the strict interpretation of our rule.

7 CHAIRPERSON GARAMENDI: Mr. Chiang.

8 COMMISSIONER CHIANG: No.

9 CHAIRPERSON GARAMENDI: Thank you very much.

10 All right. Ten more names.

11 Maureen Christopher, Jasmin Cadena, Laura Ocampo,
12 Yuliana Gonzalez, Marybel Perez.

13 You shouldn't write your name so small. This
14 looks like Sides, S-i-d-e-s, and Donovan -- Donovan Sides.

15 And if I turn the lights up a little bit, that
16 helps.

17 (Laughter.)

18 CHAIRPERSON GARAMENDI: Karen Acevedo, Miguel
19 Nuno, Blanca Espinoza.

20 Apparently one of those folks have arrived.

21 MS. CHRISTOPHER: Good evening. I'm Maureen
22 Christopher.

23 If it's a contest, my family's been in California
24 since 1842. So I am -- all --

25 CHAIRPERSON GARAMENDI: But then with the

1 Chumash, you lose.

2 (Laughter.)

3 MS. CHRISTOPHER: But then I am also a hospice
4 nurse and chaplain. And I spend every day with people who
5 are dying and people who are mourning those who have died.
6 And the cancer especially, since I am also a cancer
7 survivor, is a very high concern to me.

8 And Dr. Candace Purt as well as many other
9 researchers have said that it is the environment that we
10 must look to as the cause of most of the cancers in our
11 lives. And I urge you to vote no on this.

12 Thank you.

13 CHAIRPERSON GARAMENDI: Thank you very much.

14 Jasmin Cadena.

15 Laura Ocampo.

16 William Gonzalez. Excuse me. Yuliana. I think
17 that's closer.

18 Marybel Perez.

19 Donovan Sides.

20 Karen Acevedo.

21 Are you getting tired? Is that what's going on
22 here?

23 Miguel Nuno.

24 Blanca Espinoza.

25 Thank you all.

1 Juan Vasquez, Tim Riley, Clarissa Job.

2 MS. JOB: Thank you for your time. But I cede
3 you my time.

4 Thank you, Clarissa.

5 Bill Meeker, Tom Wood.

6 MR. MEEKER: Bill Meeker gives you my time.

7 CHAIRPERSON GARAMENDI: You're my man, Bill.

8 Thank you.

9 Okay. Let's just see where we are here.

10 Sir, if you'd introduce yourself.

11 MR. RILEY: Yes. Good evening. I'm Tim Riley,
12 attorney from Oxnard Shores. My wife Haden and I have
13 produced not a cheap documentary film, "Risks and Danger
14 of LNG," and we host LNGdanger dot com. And if you go to
15 our website or watch our film, you would know quite
16 profoundly how we feel about LNG.

17 I think enough has been covered from many of the
18 speakers, and I'd like to help a little bit with
19 management and get to the vote. So I'd like to just focus
20 on a question.

21 I'd like you all before you vote tonight to
22 consider if you really want to industrialize our precious
23 coastline and beaches with risky foreign fossil fuel
24 factories. And before you answer that question, ask
25 yourself a second question: Do you want that to be each

1 of your individual legacy, as well as your collective
2 legacy, to start industrializing our precious coastline
3 and beaches with risky fossil fuel factories?

4 Before I suggest the answer, which is no, I want
5 to suggest how profound the answer should be, because it's
6 a time management issue.

7 You've conducted yourselves beautifully. I've
8 been charmed. And I look forward to doing this again.
9 But do you? Because the Platform Grace LNG application is
10 going into the hopper. We'll be back for them. The
11 Woodside LNG proposal is going to be going into the
12 hopper.

13 So for time management I'm willing to cede the
14 rest of my time here and cede my time for the hearing on
15 Platform Grace and the hearing on Woodside so long as you
16 make your "no" so clear that these other applications will
17 stop before they get rolling.

18 (Applause.)

19 CHAIRPERSON GARAMENDI: No, no, no, no. You know
20 better than doing that.

21 We appreciate you taking your allotted time when
22 Grace and Woodside and others come up.

23 MR. RILEY: Thank you.

24 CHAIRPERSON GARAMENDI: Thank you very much.

25 COMMISSIONER CHIANG: We can't comment on those

1 projects in the future. It violates due process and it
2 violates the law. So that you understand we don't take
3 positions in advance.

4 CHAIRPERSON GARAMENDI: Juan Vasquez.

5 MR. WOOD: Tom Wood.

6 CHAIRPERSON GARAMENDI: I did call your name.

7 MR. WOOD: You called me before, yes.

8 CHAIRPERSON GARAMENDI: I did.

9 MR. WOOD: So good evening. Name is Tom Wood.

10 I've worked on the past three years on the air
11 permitting for this project for BHP. I'm here to address
12 two particular questions that have been raised. One is
13 the NOx emission levels from the project --

14 CHAIRPERSON GARAMENDI: Tom.

15 MR. WOOD: Yes, sir.

16 CHAIRPERSON GARAMENDI: If you don't mind, I'd
17 like to finish up the general public. I assume you're
18 speaking on behalf of the BHP, or are you just an
19 individual here?

20 MR. WOOD: I'm speaking in both capacities, both
21 as individual --

22 CHAIRPERSON GARAMENDI: If you could wait. I
23 want to give BHP an opportunity to respond to many of the
24 things that have been said today. So if you don't mind
25 waiting --

1 MR. WOOD: No.

2 CHAIRPERSON GARAMENDI: Thank you.

3 Irene, you're name's -- it's difficult --
4 Rauschenberger. Is that possible? Are we even close
5 there.

6 MS. RAUSCHENBERGER: That's fine.

7 You live in Oxnard.

8 Rauschenberger?

9 MS. RAUSCHENBERGER: I'm right here. I yield my
10 time.

11 CHAIRPERSON GARAMENDI: You yield the time.

12 You want to learn how to spell this, Mr. Court
13 Reporter?

14 It's on the list. You can pick it up later.

15 I've got a very small number of here, about six.
16 Can you last five or six? And then we're going to take a
17 useful break. And then we'll come back and back up with
18 final comments from BHP and others.

19 Al Sanders.

20 Thank you, Al.

21 Ralph Volpi.

22 This might be Al. Or is it Ralph?

23 MR. SANDERS: You can call me Al.

24 CHAIRPERSON GARAMENDI: Oh, yeah. Okay.

25 MR. SANDERS: Al Sanders, President of Ormond

1 Beach Observers.

2 I just want to thank you for your patience
3 tonight. You've already heard the best argument, that
4 there is no need for more gas supplied in California by
5 way of the decision made by PUC to eliminate two
6 pipelines. And I think that's telling.

7 Thank you.

8 CHAIRPERSON GARAMENDI: Ralph and Betty Volpi --
9 Betty Volpi-Moore and Ralph Volpi, allan Widmeyer, david
10 Harvey.

11 David Harvey?

12 Tom Thunder Eagle.

13 Bonnie Dean, we did hear from you already.

14 Anne Ready.

15 Okay. Apparently there's an Anne Ready.

16 MS. READY: There is. I am she.

17 CHAIRPERSON GARAMENDI: Tom Thunder Eagle and
18 David Harvey.

19 Anne, please.

20 MS. READY: Thank you very much for allowing me
21 to speak to you, Mr. Chiang, Mr. Garamendi, Ms. Sheehan.

22 I would like to just speak as a Malibu Beach
23 homeowner. I'd like to speak on behalf of the wildlife at
24 Malibu Beach. We enjoy the dolphins, we enjoy the whales,
25 we enjoy the starfish.

1 CHAIRPERSON GARAMENDI: Certainly glad that you
2 clarified wildlife.

3 (Laughter.)

4 MS. READY: Yes, and Malibu Beach.

5 Thank you very much.

6 CHAIRPERSON GARAMENDI: Thank you, Anne.

7 Sorry, but it's time for a little levity.

8 Tom Thunder Eagle.

9 David Harvey.

10 Okay. Somebody added their names to this list.

11 I'm going to read these name while -- is this
12 David Harvey?

13 MR. HARVEY: Yeah.

14 CHAIRPERSON GARAMENDI: Hang on, David. Don't
15 run away.

16 Eileen Tracy.

17 MS. TRACY: I yield my time.

18 CHAIRPERSON GARAMENDI: Thank you, Eileen, for
19 yielding your time.

20 Robert Burnett.

21 Robert Burnett?

22 Phil McClain-Tehaney.

23 Excuse me. Johnny said it's Patti. That happens
24 to be my wife's name.

25 Patti McClain-Tehaney.

1 Barbara Burnett, O'Neill -- it's not necessary to
2 add new names to the -- Joseph O'Neill.

3 Joseph O'Neill?

4 You may be wondering why I'm calling all these
5 names. We are required by law and regulation to hear from
6 everybody that wants to be heard.

7 But it's not necessary that everybody be heard.

8 (Laughter.)

9 CHAIRPERSON GARAMENDI: Only those who want to be
10 heard.

11 Mark Mollman.

12 If I call your name, come on up and we'll listen
13 to you.

14 Tammie Gaynor.

15 Tammie Gaynor?

16 Barry Gaynor.

17 George, we're recycling you. We've now
18 discovered that you are George Shaw.

19 Janet Bridges.

20 Okay. Stand up and introduce yourself. And
21 we're down to --

22 MS. BRIDGES: I'm Janet Bridges.

23 CHAIRPERSON GARAMENDI: Hello, Janet.

24 MS. BRIDGES: I'm a coastal activist, and very
25 proud to say that I'm the daughter of the man who designed

1 and built the world's first commercial solar-heated
2 building 50 years ago.

3 I just wanted to add one thought. The
4 alternatives in the EIR do not mention how imminent many
5 solar technologies are. Thin film solar, which can reduce
6 the cost of solar by to about 20 percent of what it has
7 been. Many other technologies that are within a year or
8 two of coming on board and being developed by California
9 companies and other U.S. companies.

10 Thank you.

11 CHAIRPERSON GARAMENDI: Thank you very much,
12 Janet.

13 I'm going to read this name or try to read this
14 name, because I'm obligated to do so.

15 I think it's Jaime or Jimmy -- Jaime Cruz.

16 Jaime, your penmanship is marginal. But so is
17 mine.

18 Jaime.

19 I don't want to embarrass you, Jaime. You got to
20 see my writing.

21 Okay. Sir, go ahead.

22 MS. HARVEY: I am Dave Harvey. I'm just going to
23 keep this very short. I just wanted to -- I just wanted
24 to say I'm another Oxnard resident here definitely opposed
25 to the project. I don't think it's proper use of our

1 plans for local waters here. And I'm going to forfeit the
2 rest of my time and hope that you guys can make a decision
3 here this evening.

4 Thanks.

5 CHAIRPERSON GARAMENDI: Thank you very much.

6 Please introduce yourself and take your minute
7 and a half.

8 MR. WIDMEYER: My name is Al Widmeyer and I urge
9 you to find this report not credible. The belief for
10 which they used to determine wind direction and wave
11 height is eight miles directly out to sea from the project
12 site. I don't know why they didn't do analysis from the
13 location where the project will be located.

14 The worst case scenario for an explosion or
15 whatever indicates only two of the three tanks exploding
16 or having a breach causing fire. So two of the three --
17 if two of them blow up, the third one's also going to go
18 up. But it does not even consider if there is an adjacent
19 off-loading vessel, which may have the content of two
20 additional tanks on it. So, in essence, you're talking
21 about a possibility of five tanks instead of just two
22 going up. I think that's -- their decision not to
23 consider that condition terrible, unbelievable.

24 It is also based on a condition of a wind speed
25 of 4.5 miles per hour. And for the testing, the Federal

1 Energy Commission, FERC, determined the fire spread or
2 fire speed ratio calculations used for this project. And
3 there's some concern that they're very low and do not
4 represent the actual speed. Appendix D in Volume 3 --

5 CHAIRPERSON GARAMENDI: Excuse me. You see that
6 little red blinking light there?

7 MR. WIDMEYER: Yeah.

8 CHAIRPERSON GARAMENDI: You know what that means?

9 MR. WIDMEYER: Yeah. Anyway, please view Exhibit
10 D. It's all backed out.

11 CHAIRPERSON GARAMENDI: Thank you. My apologies
12 for interrupting, but...

13 Sir, your turn.

14 MR. HAZELTINE: Thank you for recognizing me. I
15 put my name in about three o'clock. I've been setting
16 back there waiting for it to be called. I guessed we
17 would take a rest break.

18 My name is John Hazeltine. I live in Ventura.
19 And I'd like to address a couple items -- one item that
20 was not addressed in EIR/EIS. They talked about the fire
21 pool and the fire ball. But nothing was mentioned
22 concerning what caused those. And normally that is caused
23 by a release of energy. And the release of energy has
24 normally caused explosion. And when they have an
25 explosion, a lot of things can take place.

1 People who live in Oxnard and Ventura had an
2 opportunity to feel and realize this during this Point
3 Mugu Air Show. At that timeframe we had what was called a
4 wall of fire. And less than 50 pounds of explosives were
5 used, probably 100, at the most 150 gallons of diesel
6 fuel. And the blast was felt as far as Ventura, which
7 would be about 10 to 12 miles, straight line, from Point
8 Mugu. We're talking now 50 pounds of explosive, not a
9 release of a large fire ball or a couple tanks of LNG.

10 And so I think this should be addressed in the
11 EIR and the EIS, because the blast effect can affect the
12 shore facilities within Ventura County and Malibu.

13 Thank you.

14 CHAIRPERSON GARAMENDI: Well, you would suppose
15 there'd be a bit of a concussion out there?

16 MR. HAZELTINE: That is correct, because it did
17 shake the building, some of the windows rattled, and
18 people outside and the people at the air show definitely
19 felt it.

20 Thank you.

21 CHAIRPERSON GARAMENDI: Thank you.

22 Sir.

23 MR. O'NEILL: Good evening, Lieutenant Governor.

24 CHAIRPERSON GARAMENDI: It won't do any good.

25 You can't cover that. I can see right through your

1 paneling.

2 MR. O'NEILL: And, ladies and gentlemen of the
3 Panel, I appreciate you being here tonight. My name is
4 Josephy O'Neill. I'm a resident of the City of Oxnard.
5 And I don't live in Malibu, I don't have an oceanfront
6 home. I just have a house here in town. I've worked for
7 a long time like many people.

8 There are many people who think that this plan
9 has been proposed, Mr. Garamendi, because Oxnard would be
10 the path of least resistance. I only ask, not to repeat
11 anything that anyone has said here tonight, but I ask you,
12 please, take back to Sacramento and the Governor that
13 Oxnard is biggest and best city in this county. We are
14 not prepared, nor do we want, to be an experimental layout
15 for some type of potentially dangerous situation but
16 something on the status that's really not going to be good
17 for our community, for our investments, and we don't want
18 it here. And we intend to protest every time it comes up.

19 Thank you very much for your time.

20 (Applause.)

21 CHAIRPERSON GARAMENDI: Okay. Well, why don't we
22 all do this: Why don't we all have one big clapping
23 period.

24 (Applause.)

25 CHAIRPERSON GARAMENDI: Stand up and shout.

1 (Shouting.)

2 CHAIRPERSON GARAMENDI: Let's have a serious
3 release of energy.

4 (Laughter.)

5 CHAIRPERSON GARAMENDI: Oh, you're late, sir.

6 COMMISSIONER CHIANG: Did you sign up?

7 MR. MINTER: This morning.

8 CHAIRPERSON GARAMENDI: That's George. Where
9 have you been, George?

10 (Laughter.)

11 CHAIRPERSON GARAMENDI: We've all been waiting
12 for you, now that all the energy's released.

13 Please.

14 MR. MINTER: Mr. Chair, Commissioner. George
15 Minter, Los Angeles.

16 I have a long history in energy policy and
17 progressive politics in California. And I support this
18 project, and I don't do it lightly. We need to utilize
19 natural gas. We need to displace dirtier fuels. That
20 means utilizing natural gas. We need to achieve air
21 quality objectives. We need to be consistent in our
22 energy policy of the state.

23 I notice that a lot of the opposition here is
24 local opposition. If we're going to bring in more
25 supplies of natural gas, it's going to have to come

1 somewhere. It's going to have to come into California
2 somewhere, and it will be at some locality.

3 I also notice that most of the opposition are
4 coastal activists.

5 I notice that many air quality activists and many
6 energy activists who support LNG and who support this
7 project are not here at the national level and broadly at
8 the state level. It concerns me that they're not here.
9 And they're not here because of the process that we've
10 been through through the activist organizations, that have
11 done a very good job in mobilizing the local constituency.

12 But this is a statewide issue. I implore you to
13 think about policy, not politics; not about fear, but
14 about what's right for the state; what we need to do here
15 in the State of California for our energy policy and to
16 clean our air. The history of utilization of natural gas
17 has resulted in reduced emissions and improved air
18 quality.

19 Thank you very much.

20 CHAIRPERSON GARAMENDI: Thank you very much,
21 George.

22 Okay. We're going to take a 20-minute break.

23 Is there a masseuse in the audience for my
24 reporter?

25 COMMISSIONER CHIANG: You can sign up with a

1 message therapist.

2 CHAIRPERSON GARAMENDI: Oh, really. I missed
3 that.

4 (Laughter.)

5 CHAIRPERSON GARAMENDI: Run it back here.

6 Okay. We're going to come back in 20 minutes and
7 hear from the final witnesses. We offered BHP Billiton
8 the opportunity to speak this morning. They wanted to
9 divide their time. And I think it's appropriate that we
10 hear from them at the end of this hearing and then we will
11 consider what to do.

12 And hang on just a second.

13 Yeah, having completed the public comment period,
14 we are now closing the public comment period. We will
15 have a recitation of how many people spoke just so we feel
16 good about ourselves.

17 And you want me to stop so you can take your
18 break. Okay.

19 (Thereupon a dinner break was taken.)

20

21

22

23

24

25

1 EVENING SESSION

2 CHAIRPERSON GARAMENDI: Good evening. Tomorrow
3 is rapidly approaching. So let's see if we can wrap this
4 thing up before tomorrow arrives.

5 If you'll take your seats, clear the aisles,
6 bring in the absentees.

7 (Laughter.)

8 CHAIRPERSON GARAMENDI: That's an old Senate
9 saying. "Sergeant, lock the doors, bring in the
10 absentees." They actually had the power to go out and to
11 drag somebody in from the local bar or wherever they
12 happened to be.

13 (Laughter.)

14 CHAIRPERSON GARAMENDI: Speaking of where they
15 happened to be, where's John?

16 Mr. Chiang is on his way, I think.

17 You have become a very, very polite audience. A
18 little less than early this morning. We thank you for
19 that. A couple of reminders throughout the day. If only
20 my grandchildren could be as good.

21 Marvelous little creatures.

22 Are we ready?

23 I understand Mr. Chiang will be along in a few
24 seconds.

25 What we have in mind for the rest of the evening

1 is to complete our task. Earlier today, BHP Billiton
2 wanted to open, which they did, and then to reserve some
3 time at the end, which we thought -- or I thought would be
4 just the right way to wrap this thing up.

5 So I want to go back to BHP Billiton and hear
6 from them. I believe that the panel here will have some
7 questions and we will then take a vote.

8 We said 10 minutes, so why don't you take, oh,
9 20, plus maybe some questions.

10 That's okay. You need to understand that there's
11 a potential for lawsuits and therefore we want this thing
12 done properly. That's why we listened to more than 200 of
13 you. Okay?

14 BHP, please introduce yourself and make your
15 presentation.

16 MS. KLIMCZAK: Thank you very much, and good
17 evening. I'm Renee Klimczak, the President of BHP
18 Billiton LNG International.

19 I'm going to do some closing comments on a few
20 items. But before I get to that I'd like to reintroduce
21 Tom Wood, who is our air expert. And he just has a few
22 comments in regards to that topic. And then I'll get on
23 to the other items and close. Thank you.

24 CHAIRPERSON GARAMENDI: Thank you very much.

25 MR. WOOD: Tom Wood. That's loud.

1 Tom Wood, and I'm back again.

2 As I said before, there had been a number of
3 questions --

4 CHAIRPERSON GARAMENDI: That's Arnold's line.

5 (Laughter.)

6 MR. WOOD: As I said, and he said before, I'm
7 back again here to talk in terms of the ROC mitigation. A
8 number of questions had come up in that regard as to why
9 it was that we were focused on NOx. And the reason that
10 we're focused on NOx comes down to the chemistry of ozone
11 formation and guidance that we got specifically from the
12 agencies in that regard. Ozone is formed when you have
13 three things: When you have sunlight; when you have ROCs,
14 reactive organic compounds; and when you have NOx. If
15 you're missing any of those three -- there are three legs
16 on the stool -- you don't get ozone formation.

17 The one that has been targeted repeatedly as the
18 most effective way to really combat ozone formation is to
19 go after NOx emissions. And that was the direction, that
20 was the guidance we got early on. That is why back in the
21 February 9th, 2007, memo to State Lands that the
22 California Air Resources Board said NOx is the pollutant
23 of concern here. They know if they can really focus in on
24 the NOx, that is going to address the issue.

25 Now, I want to point out, and we didn't mention

1 before, that that did not stop us from getting ROC
2 mitigation as well. We got a total of 146.4 tons of NOx
3 mitigation. We got a total of 20.6 tons of ROC
4 mitigation. So it almost sounded before like there was
5 not any particular amount of ROC mitigation. And we do
6 have that chunk of mitigation. That takes us to a total
7 of 167 tons of mitigation. As composed to the permitted
8 source, which is 92.9 tons. So 92.9 versus 167 tons of
9 mitigation. That is for the permitted source.

10 Any questions in relation to that? Otherwise
11 I'll turn it back over to Renee Klimczak.

12 COMMISSIONER CHIANG: We were given -- I don't
13 know if the source -- was the source submission subject to
14 permitting?

15 MR. WOOD: Uh-huh.

16 COMMISSIONER CHIANG: When it talks about the
17 Cabrillo Port emission reduction evaluation, the NOx
18 emissions had 61.6 through reduction required if Rule 46.2
19 applied and it goes through those numbers.

20 If you will just go through all those numbers
21 again and note your efforts.

22 MR. WOOD: Okay. If Rule 26 applied, is that
23 what you're saying in relation to?

24 COMMISSIONER CHIANG: That's right.

25 MR. WOOD: We would have 61.6 tons of NOx

1 emissions. That is, the total NOx from the FSRU, the
2 ships operating in district waters, and the unloading of
3 LNG from the carriers. That's what the permitting folks
4 call the stationary source, even though it's not all
5 stationary stuff. But it's 61.6 tons.

6 If you then add in the carriers as they come in
7 from the edge of federal waters into the FSRU -- they
8 don't come in on the FSRU, so they're just in that zone --
9 that would take us up to 109.7 tons a year of NOx
10 emissions.

11 If you went, which is highly unusual in any
12 project to consider this, if you went all the way out 88
13 miles out on the trip for the carriers to the point they
14 leave California coastal waters, that would take you to
15 145.4 tons of NOx. Again, our NOx mitigation is 146.4.
16 So we believe that we have addressed the request that we
17 had which was put to us by the agencies with the expertise
18 in air permitting, which was cover your NOx completely,
19 make sure that you have all of those NOx offset, and then
20 we will feel like you had addressed our concerns.

21 And, again, I'd refer back to that February 9th,
22 2007, memo, where it was not us making that statement.
23 That was the statement that we had from the California Air
24 Resources Board.

25 COMMISSIONER CHIANG: Okay. And then if you'll

1 go through your mitigation efforts in regards to ROC.

2 MR. WOOD: Our mitigation there, again we are
3 repowering these engines for these diesel-fired tubs.
4 These tugs go on forever. Several of the engines are 1965
5 vintage. And they just -- that's the problem with diesel.
6 It lasts forever and ever and ever. So we are paying
7 people to go out there and replace these ancient engines
8 with engines that meet all the current standards. And
9 that decreases quite a bit of NOx. It also decreases the
10 ROC emissions as well.

11 In addition, it also decreases particulate. And
12 it decreases particulate two ways. One, you have less
13 particulate directly coming out of the engine. But it was
14 mentioned before, one reason that we attacked the NOx is
15 also because the NOx forms in the secondary particulate,
16 the PM2.5, later on as well. And so we get double bang
17 for the buck as we focus in there on the NOx. You get
18 both the NOx, you get the ozone, and you also get the
19 particulate.

20 COMMISSIONER CHIANG: Okay. And so under this
21 project how much ROC creation do you have and how much
22 have you mitigated?

23 MR. WOOD: Of the permitted source -- it always
24 goes in terms of what are you referring to? The permitted
25 source is 31.3 tons of the ROC, as compared to we have

1 20.6 ROC in mitigation.

2 COMMISSIONER CHIANG: Okay. And as I pointed out
3 earlier, the testimony that was very critical in the
4 formation of my decision was provided by Mr. Liu from the
5 South Coast Air Quality Management District. When you
6 think about the nonattainment here in Ventura County, when
7 you think about the significant nonattainment in Los
8 Angeles County, that I'm concerned about any creation of
9 additional hazards -- is the inappropriate term, but, you
10 know, I'll use it at the moment -- added to Ventura County
11 in the southern California basin.

12 So I wanted to give you a chance to respond to
13 that.

14 MR. WOOD: That is exactly why we were going to
15 get the maximum number of tons that we could get in terms
16 of mitigation here. And that's why we ended up with 167
17 tons total of ozone precursors that we're going to pull
18 out of the air. These are ozone precursors, they're
19 emitted right close into shore. These tugs cut right
20 along the shipping channel, east -- as you remember the
21 drawing earlier in the day, east of where the FSRU will
22 be -- FSRU will be located. So these emissions are closer
23 to the people in this room. And they are what's going to
24 be removed by us repowering these tug emissions.

25 So a tremendous benefit to get emissions out of

1 the air that are happening today that are closer in to
2 shore than what's going to be happening from vessels of
3 our own that we inventory that are up to 88 miles off
4 shore.

5 COMMISSIONER CHIANG: So if I understand, that
6 the significant amount of benefits accrue to the northern
7 counties, north of Ventura County, like the -- my
8 articulated concern is obviously the globe. Like I say,
9 I don't want increasing global warming. That's why I like
10 questions about, you know, is this -- this is net negative
11 in terms of what's occurring to the environment or is it a
12 net positive?

13 But the tugs provide benefit to San Luis Obispo,
14 to Monterey. And a lot of the harm remains here in the
15 community even though it's -- you try to make significant
16 mitigation efforts and into Los Angeles.

17 MR. WOOD: None of the reasons why the South
18 Coast and south Central Coast, this area, Ventura County
19 and Los Angeles County, have had such challenges air
20 permitting wise and air quality wise are marine vessel
21 emissions. You look at the emission inventory for Ventura
22 County, for example. One-third of the NOx emissions in
23 the most current inventory are from marine vessels. They
24 get blown in shore. These are not just emissions that
25 happen along the county lines. The air does not really

1 listen to the county denominations of where it stops and
2 where it starts.

3 What you have is along the coast you have the
4 winds that transport the air emissions down. And
5 ultimately the end of the pipe for this pipeline is down
6 in Ventura and South Coast. That's one of the reasons
7 they have such a challenge, is that you have emissions
8 that may occur off of Santa Barbara, may occur off San
9 Luis Obispo, that then get washed down in here. That was
10 one of the reasons why the tugs were so important, because
11 we're really going for these emissions that are upstream
12 from where those counties are. And, again, that's
13 reflected in that February memo from the California Air
14 Resources Board as they talked to their modelers, who are
15 the experts in the state in terms of what are the
16 transport patterns. And they've called them couplets.
17 How do you move the air in from one area into the area
18 where ultimately you'll have the ozone formation?

19 COMMISSIONER CHIANG: That concludes my
20 questioning at the moment.

21 ACTING COMMISSIONER SHEEHAN: Wait. I've got a
22 question.

23 Can you address the other issue that he brought
24 up at the South Coast in terms of the Wobby index --

25 MR. WOOD: Can I defer that to Ms. Klimczak?

1 ACTING COMMISSIONER SHEEHAN: Sure.

2 MR. WOOD: Thank you.

3 CHAIRPERSON GARAMENDI: Don't go, Tom.

4 MR. WOOD: I keep trying to get away.

5 CHAIRPERSON GARAMENDI: I know. You came up here
6 voluntarily. But you're not leaving --

7 (Laughter.)

8 CHAIRPERSON GARAMENDI: The Ventura Air Pollution
9 Control District was upset about this Rule 26 and the
10 application of it, and was I believe claiming that if it
11 were to apply this project, it would not meet the
12 standard. Is that correct?

13 MR. WOOD: We do not agree on that. That is a
14 point where -- the way that the Deep Ports Act is
15 structured -- we're being permitted under the Deep Ports
16 Act -- is that you're required to then -- EPA, the
17 permitting authority, was required to look to the rules of
18 the on-shore air district.

19 CHAIRPERSON GARAMENDI: That's not my question.
20 My question is not which rule applies. But if it did
21 apply, if Rule 26 did apply, would the project as
22 presented to us now meet the requirements of that Rule 26?

23 MR. WOOD: Two requirements, as Mr. Villegas
24 talked about. Best available control technology. And I
25 believe he was in agreement -- I believe he was in

1 agreement -- I don't want to put words into Mr. Villegas's
2 mouth -- but that we will install best available control
3 technology. That is our commitment. I can assure you
4 that EPA has been holding our feet to the fire to make
5 sure that that is absolutely honored.

6 CHAIRPERSON GARAMENDI: You mean EPA back in
7 Washington DC?

8 MR. WOOD: No, EPA in San Francisco.

9 They have reviewed --

10 CHAIRPERSON GARAMENDI: Federal EPA?

11 MR. WOOD: Federal EPA.

12 They had reviewed our project in great detail and
13 accepted comments on the best available control
14 technology. So that portion of the rule, in my mind, no
15 question on.

16 The portion of the rule where there's question is
17 the offset provisions. It is, how do you determine what
18 an offset is that applies for a project that's off shore?
19 Do you take the same approach to offsets that you use for
20 a facility that by definition under the rules -- because
21 Ventura County doesn't permit sources off shore and
22 require them to be offset, do you permit it based on the
23 same concepts but transport it out to make sense for a
24 facility that's marine? Their rules do not require any
25 offsets from any facility that's not located on shore

1 within Ventura County. So trying to do a literal
2 application of those rules to a facility 14 miles off
3 shore is lumpy, to say to that --

4 CHAIRPERSON GARAMENDI: I thought you just said
5 that there's something called air transport.

6 MR. WOOD: Um-hmm.

7 CHAIRPERSON GARAMENDI: And you were talking
8 about the marine ships and other tugs and so forth, that
9 their emissions are transported on to land?

10 MR. WOOD: Correct. There's a reason why a third
11 of the emission inventory is from marine vessels. The
12 marine vessels can't be regulated by the on-shore air
13 district. That's why as they just tighten the noose on
14 all these other sources, your stationary industrial
15 sources, they can sit there and just crank down the vice
16 as tight as they want.

17 CHAIRPERSON GARAMENDI: In any case, why should
18 we allow an additional source of off-shore pollution?

19 MR. WOOD: Because at the end of the day, we're
20 going to be part of the solution for air quality by making
21 sure that we have more emission offsets, more reduction in
22 the critical pollutant, the NOx, which is the pollutant of
23 concern for ozone formation, that if this project does not
24 go forward. Because those marine vessels will keep going.
25 There was reference earlier to the idea that there was a

1 federal standard that was coming. It does not apply to
2 existing vessels.

3 CHAIRPERSON GARAMENDI: I must have missed the
4 mathematics here. But is the mathematics here being
5 discussed with my colleague -- I didn't understand that
6 there was a reduction in NOx as a result of this. I
7 thought there was a slight variance.

8 MR. WOOD: I'm glad you asked the question,
9 because that gets to a confusion that has gone through
10 much of the discussion this evening. Under the Rule 26,
11 you do not offset out the 88-mile mark. When we talk
12 about the 88-mile mark --

13 CHAIRPERSON GARAMENDI: No, I'm not talking about
14 the rules right now. I'm just thinking of some simple
15 concepts.

16 MR. WOOD: Okay. The simple process is 92.9 tons
17 versus 167 tons. We would not be required to offset that
18 much if Rule 26 applied.

19 CHAIRPERSON GARAMENDI: So you're offsetting
20 significantly more than you generate?

21 MR. WOOD: Out 42 -- well, under Rule 26 I would
22 be required to offset 30 percent more than what my
23 stationary source -- the 61.2 on the NOx and the 31 on the
24 ROC, I would be required to offset 30 percent more than
25 that quantity, but not all the rest of the emissions that

1 you hear talked about.

2 CHAIRPERSON GARAMENDI: Okay. The rules are of
3 interest to me, but so is the total pollution.

4 So if we were to consider the total pollution
5 that's going to be affecting California, which I assume --
6 may I assume that it goes beyond the 12 miles, 14 miles,
7 24 miles, 80 miles?

8 MR. WOOD: No. Beyond the -- if you look at the
9 Air Resources Board standards, there are standards for
10 marine sources to the extent they evaluate them, and
11 typically stop at the 25-mile mark. They talk about the
12 88-mile mark. But both in the FEIR and their rules they
13 talk about the 25-mile mark as the key boundary.

14 CHAIRPERSON GARAMENDI: Let's put aside all of
15 that.

16 Is there pollution to California that comes from
17 88 miles out?

18 MR. WOOD: I think that is a technical matter.
19 No --

20 CHAIRPERSON GARAMENDI: Well, you're a
21 technician. What's the answer?

22 MR. WOOD: No, if you'd believe the -- depending
23 on your pollutant, if you have something like particulate,
24 it falls out long before you make it on shore. If you're
25 talking NOx, there's a recent study that was done in this

1 area off shore by NOAA that indicates that those
2 pollutants break down long before they get to shore.

3 If we approach this as if nothing breaks down,
4 because that's the most conservative way to go -- is that
5 what the scientists say? No. But is that how we've
6 approached it? Yes.

7 CHAIRPERSON GARAMENDI: John, you had a question.

8 COMMISSIONER CHIANG: Yeah. Is my understanding
9 incorrect? I thought under Rule 26.2 you had to mitigate
10 both NOx and ROCs.

11 MR. WOOD: You do.

12 COMMISSIONER CHIANG: Okay. So under -- in
13 application of 26.2, you don't -- you wouldn't qualify
14 because you don't completely mitigate -- or actually you
15 have to -- 1.3 to 1 you have to mitigate the ROC. Am I
16 correct or not correct?

17 MR. WOOD: As the rules are written today,
18 correct. Many air districts allow you to transfer between
19 pollutants. The penalty is if I tried to use ROC
20 reductions to credit for NOx reductions. The incentive
21 that most air districts put into their rules when they
22 have rules like that is to try and encourage people to
23 have their mitigation occur with NOx. That's what we've
24 done. But there is not a provision like that in the
25 Ventura County rules. Many air districts have that exact

1 provision.

2 COMMISSIONER CHIANG: So under the Ventura County
3 rules you wouldn't have to --

4 MR. WOOD: I think you're right, in terms of
5 Ventura County rules say you do an offset of both NOx and
6 ROC.

7 COMMISSIONER CHIANG: Okay. Thank you.

8 CHAIRPERSON GARAMENDI: Any other questions?
9 Otherwise I'll turn it over to --

10 CHAIRPERSON GARAMENDI: Are the Ventura County
11 rules more stringent than South Coast Air Basin?

12 MR. WOOD: I would say they're different.

13 CHAIRPERSON GARAMENDI: What does that mean?
14 Different as they're more stringent or less stringent or
15 more --

16 MR. WOOD: Well, they are probably -- you've got
17 a different standard. It depends what standard you're
18 talking about. I mean I'd say by and large probably South
19 Coast is a little more stringent than what you've got in
20 Ventura. But you've got --

21 CHAIRPERSON GARAMENDI: I thought that was the
22 testimony of the Chief Deputy, Mr. Liu.

23 MR. WOOD: That South Coast is more stringent?

24 CHAIRPERSON GARAMENDI: Um-hmm.

25 MR. WOOD: Most air districts like to think that

1 their rules are more stringent than any other air
2 district.

3 CHAIRPERSON GARAMENDI: What do you think? What
4 do you know?

5 MR. WOOD: I would say that in certain ways South
6 Coast is more stringent and in certain ways it is less
7 stringent. It is more stringent to the extent that, as he
8 pointed out, it has a higher offset ratio. It is less
9 stringent to the extent that they ensure that they have an
10 actual working market for people to be able to engage in
11 offsetting, which is something that Ventura County does
12 not have.

13 COMMISSIONER CHIANG: I'm sorry. Could you say
14 that again.

15 MR. WOOD: I said that South Coast ensures that
16 there's an active working market for transactions in these
17 offsets. That is not possible in Ventura at this point in
18 time.

19 COMMISSIONER CHIANG: And how do they -- what
20 activity -- what actions do they take to establish that
21 active working market?

22 MR. WOOD: I think it has been a history of
23 ensuring a more -- they have a larger pool, much larger
24 pool of sources. So that enables more liquidity within
25 the market. And I think the general approach of the

1 program has been one always where you make sure that their
2 transfers occur. It's just in Ventura you don't have that
3 history and you don't have that large pool. There are
4 fairly few big stationary sources left in the county.

5 CHAIRPERSON GARAMENDI: Does the pollution from
6 this permitted facility or perhaps permitted facility
7 affect the South Coast Basin?

8 MR. WOOD: Some of the emissions go into South
9 Coast, no question. That's why much of our mitigation
10 occurs in the South Coast as well.

11 CHAIRPERSON GARAMENDI: What's the ratio? What's
12 the --

13 MR. WOOD: I could tell you the exact ratio in
14 terms of where the vessels are located. But, again, it
15 goes back to the idea if I have emissions that are blown
16 in from north -- if I have emissions in Ventura County
17 such as our project, they're going to get blown, some of
18 them, into South Coast. So being able to say -- this tug
19 operates out of the Port of Long Beach. Both of these
20 tugs are based in the Port of Long Beach. Saying that it
21 operates out of the Port of Long Beach and the point that
22 it crosses over to Ventura it's X number of tons, those
23 numbers are in the FEIR. I could pull them off my laptop
24 and tell them to you. But they're somewhat meaningless or
25 misleading because of the fact that the air does not stop

1 at the border. It moves right on through. And the
2 counties, often times counties, as with states, have
3 geographic features to form the boundary. You don't have
4 that on the ocean. That's why it's very different in the
5 ocean than you are when you're on shore and you have
6 topographical features.

7 CHAIRPERSON GARAMENDI: Why is this project
8 located one mile north of the Los Angeles County
9 boundaries

10 MR. WOOD: I would defer that to Ms. Klimczak.
11 I'm an air --

12 CHAIRPERSON GARAMENDI: That question is
13 specifically to you. Does it make a difference on air
14 quality regulations that it be one mile north or just --
15 either one mile south?

16 MR. WOOD: It was situated where it is for
17 reasons having nothing to do with air permitting. By the
18 time I came along in terms of doing the air permitting
19 work, that was the decision that was made.

20 EPA is the one who ultimately made the choice in
21 terms of how to associate the facility on shore. That was
22 a decision they made. But that was the position --

23 CHAIRPERSON GARAMENDI: You realize EPA doesn't
24 have much standing around here.

25 (Laughter.)

1 MR. WOOD: If it makes you feel better, I don't
2 always like them either.

3 CHAIRPERSON GARAMENDI: No, it doesn't make me
4 feel better at all. I find EPA to be rather
5 disappointing.

6 Any questions?

7 Thank you.

8 MR. WOOD: Thank you.

9 MS. KLIMCZAK: Well, I'd like to thank you for
10 allowing us to close.

11 I want to thank California and this community for
12 this celebration of democracy we've had here tonight.

13 We know this is hard. The project is hard to
14 understand because the science is hard to understand. But
15 that's why we have CEQA and that's why we have independent
16 experts.

17 There are many theories about the motives that we
18 have. Yes, we are a commercial enterprise. But we also
19 have proven ourselves to be good corporate citizens. And
20 we think there is a need for natural gas in California.
21 And we wouldn't have insisted and stuck with this process
22 for so many years if we didn't feel there was a need here.

23 I wanted to cover off on some points that have
24 been referred to a few times throughout the evening:
25 Location, the need, and some of the environmental areas as

1 well.

2 Location first. The science actually chose the
3 location. Science chose the position in the ocean,
4 whether it be one mile north or south of any county line.
5 Because when you choose a location for a facility like
6 this, there are a whole number of variables: Sea states,
7 bathymetry, distance to and access to pipelines and
8 markets. And factoring all of those things, and there
9 really were only maybe two to three spots maximum that
10 this facility could have been placed. And we believe
11 we've chosen the best spot. And I think that was
12 validated through the work and the analysis that's been
13 done.

14 We start with --

15 CHAIRPERSON GARAMENDI: Excuse me. It had
16 nothing to do with the difference air quality use?

17 MS. KLIMCZAK: It had absolutely -- I can assure
18 you it had absolutely --

19 CHAIRPERSON GARAMENDI: Did that question cross
20 your mind?

21 MS. KLIMCZAK: No, because we didn't make that
22 decision. EPA at the end of the day made that decision.
23 And we had no idea when we chose that position where it
24 was relative to either -- you know, if we were going to
25 be -- I think if we were going to be back to you about it,

1 we'd have made sure we were a little bit closer than the
2 one mile. I don't think that had anything whatsoever -- I
3 mean you need to understand the bathymetry of the area,
4 the location, the seismic conditions. And all of those
5 things were factored into the decision.

6 CHAIRPERSON GARAMENDI: Please continue.

7 MS. KLIMCZAK: We firmly believe that we are part
8 of California's solutions to provide a California-based
9 energy solution and help California to curb greenhouse gas
10 emissions.

11 California has chosen natural gas to follow
12 renewables as the most environmentally sensitive energy
13 source available for now. Last year AB 32 and Senate Bill
14 1368 set the dual goal of reducing California's greenhouse
15 gas emissions to 1990 levels by 2020 and reducing
16 dependence on coal. With coal, nuclear and oil off the
17 table, the least carbon-producing energy is natural gas.

18 State laws require that the fuels used to
19 generate California's base-load power must be at least as
20 clean as burning natural gas. The CPUC and the California
21 Energy Commission agree we need reliable sources of
22 natural gas.

23 The 2006 utilities report that was referred to
24 earlier today estimates demand for natural gas for
25 powerplants only. It's a study done by powerplants. It

1 is therefore a subset of what was evaluated by the CPUC
2 and the Energy Commission. While the 2006 utilities
3 report projects a slight decrease in gas needed by these
4 utilities in '08 and '09, importantly, and more
5 importantly, the long-term projection is similar to that
6 in other reports.

7 CHAIRPERSON GARAMENDI: That's the long term
8 after 2016?

9 MS. KLIMCZAK: No, after 2009.

10 CHAIRPERSON GARAMENDI: Please continue.

11 MS. KLIMCZAK: Notwithstanding all of this, if
12 there is no demand, there will be no project built.

13 There was a lot of discussion this morning about
14 gas coming from Mexico. That gas is intended to fuel
15 Mexico's future industrial growth. Mexico is a net
16 importer of gas and they will continue to be.

17 By 2025 Mexico will require approximately 2 BCF
18 per day of additional imports over and above what it
19 already receives from its one import terminal, Altimera,
20 which is on the east coast, and what it will also be
21 receiving from the Sempra facility that was referred to
22 earlier.

23 And I think interestingly as well, Mexico has 14
24 years of production remaining before it exceeds its
25 current stated proven reserves, which means it's going to

1 have a bigger problem in 14 years.

2 CHAIRPERSON GARAMENDI: Where is that reserve
3 now?

4 MS. KLIMCZAK: It's --

5 CHAIRPERSON GARAMENDI: Where is it anywhere, now
6 or later or -- where is that reserve?

7 MS. KLIMCZAK: It's in Mexico, the Mexican
8 production.

9 CHAIRPERSON GARAMENDI: Mexico's a big country.
10 Where in Mexico?

11 MS. KLIMCZAK: Well, it would be in several
12 locations. I don't have a map with me to explain where
13 the various regions of production are.

14 CHAIRPERSON GARAMENDI: It's on the west coast or
15 the east coast of Mexico?

16 MS. KLIMCZAK: It's more in the central
17 actually -- central north, and to the south as well --
18 southeast. Those two locations that I can think of.

19 CHAIRPERSON GARAMENDI: So your argument is that
20 Mexico's natural gas runs out in 14 years?

21 MS. KLIMCZAK: That's the current
22 reserves-to-production ratio, yes.

23 CHAIRPERSON GARAMENDI: Is any of that gas
24 finding its way to west coast, Baja?

25 MS. KLIMCZAK: No, as a matter of fact, they're

1 net importers. So they're importing today from states
2 west. So, you know, from the Rockies, that's imported
3 today. So in addition to the imports they get --

4 CHAIRPERSON GARAMENDI: I'm just trying to figure
5 out the relevance of your argument.

6 MS. KLIMCZAK: Show they're a net importer,
7 they're not a net -- they will need additional imports.
8 So if you want to assume that there will be additional gas
9 imported into Mexico, that would be available for other
10 states. My point is that there are other studies that say
11 that is not the case, that Mexico itself will be a net
12 user, an importer of a substantial amount of natural gas.
13 They are today and they will continue to be in the future.

14 CHAIRPERSON GARAMENDI: Please continue.

15 MS. KLIMCZAK: Any gas imported to Mexico is also
16 available to other markets in addition to California,
17 namely, Arizona and Nevada, both states whose demand is
18 also increasing. So, for example, Sempra's upgrading its
19 pipelines to deliver to those states as well.

20 CHAIRPERSON GARAMENDI: And also to California?

21 MS. KLIMCZAK: As well. That's why I said as
22 well. Unlike any other natural gas supply, the gas in
23 Cabrillo Port will be devoted to California. California
24 will have first access to that gas. It will come into
25 California, and the intension is for that to be used here.

1 That was one of the choices of the location, to get it
2 into the southern California market, which is the largest
3 market in the state. That's why it makes sense. That's
4 one of the choices -- that's one of the reasons for the
5 choice of location.

6 CHAIRPERSON GARAMENDI: Excuse me. Back to
7 Mexico.

8 Why is Mexico using just 265 million cubic feet
9 per day?

10 MS. KLIMCZAK: Well, I didn't say that. I'm
11 sorry. Two BCF -- 2 BCF, which is 2,000 MCF per day
12 additional imports over what they need today. They
13 actually use today about --

14 CHAIRPERSON GARAMENDI: About 2025?

15 MS. KLIMCZAK: About 2025. Today they use about
16 6 BCF of natural gas.

17 CHAIRPERSON GARAMENDI: We were told it was 265
18 million.

19 MS. KLIMCZAK: No, that's imported. That's
20 imported from Arizona. I think what you're thinking of is
21 that is the amount of gas that they import from the
22 states -- from the United States.

23 CHAIRPERSON GARAMENDI: Into Baja?

24 MS. KLIMCZAK: Into California -- I mean into
25 Mexico.

1 CHAIRPERSON GARAMENDI: Mexico's a big country.

2 We're talking Baja here.

3 MS. KLIMCZAK: No, Baja doesn't --

4 CHAIRPERSON GARAMENDI: I'm talking Baja or we're
5 not communicating at all.

6 MS. KLIMCZAK: Ask the question again. Perhaps I
7 misunderstood.

8 CHAIRPERSON GARAMENDI: I think there was -- I
9 know there was testimony earlier today that there's 265
10 million cubic feet per day consumed in Baja.

11 MS. KLIMCZAK: Oh, that's at the powerplant --
12 there's a powerplant that CFE has which will be part of
13 what is fueled out of the Sempra facility. And that gas
14 is currently coming out of the U.S. at the moment.

15 But that's not the total demand for gas in
16 Mexico.

17 CHAIRPERSON GARAMENDI: In Baja, Mexico?

18 MS. KLIMCZAK: Well, it's actually not in Baja,
19 but it's near Baja. It's to the east of Baja.

20 CHAIRPERSON GARAMENDI: Well, we're confusing
21 each other. You should continue.

22 MS. KLIMCZAK: Okay. Thank you.

23 And on the environment, we are rich to getting to
24 a renewable energy future. What does that mean exactly?
25 It means that for the time being until the capacity for

1 wind, solar, geothermal, or nuclear is more developed,
2 natural gas is the brainstorm of energy to meet the
3 state's needs. Natural gas is 30 percent cleaner than
4 coal. Almost every credible environmental organization
5 has said you need natural gas to meet AB 32 and SB 1368
6 goals and to get to a renewable future. They believe it
7 will take 20 to 30 years to meet and get to, you know, a
8 future where you don't rely on as much and extensive
9 fossil fuels.

10 Another question that came up was timeline. The
11 project will take approximately four years to get on line.
12 There are a number of things that have to occur that you
13 simply cannot do until you have a permit. For example,
14 you cannot credibly contract with customers. You
15 cannot -- a company would not credibly enter into
16 contracts for the construction of a billion dollar
17 facility without knowing if it's permitted to do so.

18 So there are just steps in the process. And one
19 of the key steps is the permit. And then there are a
20 whole lot of other things that will transpire as soon
21 thereafter as possible. But we will do it in a safe way
22 and we'll do it in a way to ensure that when we do deliver
23 it's a secure supply and a safe supply.

24 There's also been comments about 11th hour
25 efforts on mitigation. Well, let me just tell you, our

1 mitigation efforts have been ongoing and they will not
2 stop. They will not stop tonight as a result of a
3 decision. One way or the other, they will not stop. We
4 will continue to find ways to make California's air
5 cleaner and the project the most environmentally sound
6 project in the world.

7 In closing, I'd like to speak briefly to why we
8 are here tonight. It is the law that California analyze
9 the environmental impacts of this project. That has been
10 done, and that has been done very well. Thank you.

11 The legal standards have been met. Yet we ended
12 up talking about all sorts of factors not found in the
13 law. We understand that it's the nature of public fate.
14 Yes, there are unrelated impacts from international
15 shipping. As you know, we have been in discussions about
16 a world precedent-setting option to reduce greenhouse
17 gases through LNG tanker fueling across the pacific.
18 California's known for setting environmental precedent.

19 Tonight we need to preserve that option. Mexico
20 is not a solution. Canada is not a solution. Doing
21 nothing is not a solution. California needs a solution
22 designed specifically for California that can meet or
23 exceed its environmental standards and set even higher
24 standards. We are offering that. We are committed to
25 that. The EIR is complete. It is comprehensive. It

1 meets all legal standards. It should be certified, as
2 staff has recommended. And we should continue our
3 discussion about whether we can set new precedent for
4 California and perhaps the world.

5 Thank you for your time today and thank you for
6 your consideration. Please vote to continue this
7 processes.

8 Thank you.

9 CHAIRPERSON GARAMENDI: Questions from the panel?
10 Anne?

11 ACTING COMMISSIONER SHEEHAN: I'm fine.

12 CHAIRPERSON GARAMENDI: There were a series of
13 questions asked earlier about the availability of gas from
14 Australia, off shore. Would you care to comment on those
15 issues that were raised early on about -- earlier today
16 about the ability, the process, the timeliness, and the
17 overall effort to gather gas from western Australia.

18 MS. KLIMCZAK: Mr. Chairman, these projects are
19 very complex multi-billion dollar projects.

20 CHAIRPERSON GARAMENDI: Share with me the
21 complexity.

22 MS. KLIMCZAK: Sure. Well, for example, there is
23 a resource in Australia that we have had dedicated for
24 this project for some years throughout the process.

25 We have been evaluating the options for

1 development of that particular resource and we have been,
2 you know, working through the process on that particular
3 piece, in parallel --

4 CHAIRPERSON GARAMENDI: Could you -- excuse me.

5 MS. KLIMCZAK: Sure.

6 CHAIRPERSON GARAMENDI: You've got to hone me in
7 on the location. Which resource are you referring to
8 here?

9 MS. KLIMCZAK: It's the Scarborough field in the
10 western part of Australia. And it has about 18 CF of gas,
11 which is a lot of gas.

12 CHAIRPERSON GARAMENDI: I just want -- just this
13 one, if I might, John.

14 COMMISSIONER CHIANG: Yes.

15 CHAIRPERSON GARAMENDI: What is the current
16 status of the development of that field?

17 MS. KLIMCZAK: We're probably in a similar place
18 to where we are with this project in that it's in the
19 process of being permitted, it's in the process of working
20 through all of the feasible options for how you would
21 develop that project. For example, with the on-shore
22 facility, there are also many other fields around that
23 area that could join in and do a joint development or we
24 could do our own development. So there are a number of
25 options that you consider when you go through that

1 process. There are design options for the facility.

2 CHAIRPERSON GARAMENDI: What do you anticipate
3 the timeframe for the development of that field and the
4 delivery of LNG from that field?

5 MS. KLIMCZAK: Well, at this point we expect that
6 these two processes are moving in parallel. They have
7 been luckily. You know, this -- we may have had to make a
8 decision to that upstream facility a lot sooner, which
9 would have been a challenge giving our permitting process
10 here. And so luckily the two are moving in tandem. We
11 had originally expected that decision to be a lot sooner,
12 as we had expected to have our permits here a lot sooner.

13 CHAIRPERSON GARAMENDI: Is that parallel as in a
14 railroad track with the train going down it, that their
15 two wheels are going to arrive at the same time; or is it
16 parallel as in, you know, one being a day late and the
17 other a day early?

18 MS. KLIMCZAK: I would say they're within a few
19 months apart, you know, with that sort of precision on
20 these type of projects. But they're definitely within a
21 period of time that we believe would be feasible to allow
22 the two projects to operate together.

23 CHAIRPERSON GARAMENDI: Okay. There was a
24 discussion earlier today about the timeframe, that it was
25 4 years, 44 months, or perhaps 2013, which I think's a

1 little longer than four years.

2 MS. KLIMCZAK: No, it's not 2015.

3 CHAIRPERSON GARAMENDI: Thirteen.

4 MS. KLIMCZAK: Oh, 13. Well, again, the process
5 is once we have our permit, then we can go into the next
6 stage, which is a very detailed design that is a design
7 capable of being constructed. And in that process -- that
8 will take about a year. And in that process we will also
9 be doing things like contracting with the contractor who
10 will build the facility. And so you will be working
11 those. But we couldn't -- we would need a permit and we
12 would have to have a permit before we'd enter any type of
13 agreement for construction.

14 So we expect that will take a year. And then the
15 construction will probably be about 36 months -- the
16 construction and installation. So that's where you get
17 the, you know, four to four and a half year timeframe.

18 CHAIRPERSON GARAMENDI: Thank you.

19 John, you had a question?

20 COMMISSIONER CHIANG: What percentage of the
21 natural gas would come from Scarborough and what
22 percentage would come -- or do you envision or have a
23 sense would come from the adjoining areas?

24 MS. KLIMCZAK: Well, our partner in -- our
25 partner in that field will have to make the decision as

1 well as to, you know, where they want their gas to go.
2 But assuming that all the gas comes into this market, then
3 that would be the only source that would be required for
4 Cabrillo Port.

5 COMMISSIONER CHIANG: Okay. Give you a little
6 sense of where I'm -- Mr. Liu indicated that a Wobby is
7 below 1628 in Scarborough. And I'm trying to get a sense
8 of the quality of the gas that comes from the adjacent
9 areas.

10 MS. KLIMCZAK: Okay. Yeah, well, that's an
11 interesting question because it's actually one of the
12 reasons why the west coast has become an extremely
13 attractive place for this gas. The gas in Scarborough is
14 99.5 percent methane. There are not many fields in the
15 world -- there may be one other that is naturally
16 occurring that pure of methane. And that means we can
17 extract it and liquefy it and ship it straight to
18 California, and it will more than meet any standard that
19 anyone -- that anyone has set because it's virtually pure
20 natural gas.

21 So it would meet the South Coast requirement. It
22 would meet any other requirement that exists. And we have
23 committed to meet any standard or regulation that exists
24 when we put the process in place.

25 COMMISSIONER CHIANG: Thank you.

1 CHAIRPERSON GARAMENDI: Any questions, Anne?

2 ACTING COMMISSIONER SHEEHAN: I want to make sure
3 I'm understanding.

4 So it does meet the standard that they had
5 recommended, that South Coast --

6 MS. KLIMCZAK: The gas from Scarborough
7 absolutely meets it. It would be one of the only fields
8 in the world that would naturally occur and do, yes.

9 ACTING COMMISSIONER SHEEHAN: All right. I just
10 wanted to clarify that.

11 Thanks.

12 CHAIRPERSON GARAMENDI: Then that's a commitment
13 that this gas will come from Scarborough?

14 MS. KLIMCZAK: That is where we plan to bring the
15 gas from. That is the whole purpose that the project was
16 developed.

17 CHAIRPERSON GARAMENDI: That's not the question I
18 asked.

19 I'd plan to be out of here earlier today. But it
20 doesn't always work out.

21 (Laughter.)

22 MS. KLIMCZAK: Mr. Chairman, the only problem I
23 have with committing that at this point is until the
24 development project is worked through and the company
25 actually makes the decision on investing, for me to commit

1 to that I would be committing the company to something
2 that I cannot commit the company to today, because it has
3 not made the investment decision.

4 CHAIRPERSON GARAMENDI: But you were arguing that
5 the high quality gas from Scarborough is one of the
6 advantages of this project and yet you're not committing
7 or can't commit or won't commit and dah, dah, dah to
8 Scarborough gas. So with that argument that Scarborough
9 is the best and therefore good for California doesn't
10 hold.

11 MS. KLIMCZAK: What I'm saying is we're
12 developing these projects in parallel paths. Okay? We
13 intend to do that. But there are lots of -- let me
14 finish -- there are a lot of choices along the way. For
15 example, if we could not get this permit. And so for us
16 to now have committed to a development there and not have
17 a market to develop it into would not be a prudent
18 decision for the company to make.

19 CHAIRPERSON GARAMENDI: Mr. Chiang just asked if
20 you could meet the Wobby requirements of the South Coast
21 Basin. You said, yes, because you're going to use this
22 gas. And then when I asked if you're going to deliver
23 this gas, you said, well, maybe not. Which way is it?

24 MS. KLIMCZAK: What I'm saying --

25 CHAIRPERSON GARAMENDI: You can't have it both

1 ways. Either you're going to be able to meet it because
2 it's such high quality or you can't meet it, you don't
3 want to. You can't say that you're going to meet it and
4 then not meet it.

5 MS. KLIMCZAK: No, we've said -- we have said we
6 will meet any standard or regulation that exists when we
7 bring this gas in, without question.

8 CHAIRPERSON GARAMENDI: Okay.

9 MS. KLIMCZAK: If the gas comes from somewhere
10 else, for example, it would have to be treated upstream to
11 make sure we met it. Scarborough naturally occurring
12 makes it so we don't have to treat it.

13 CHAIRPERSON GARAMENDI: I understand.

14 MS. KLIMCZAK: Okay.

15 CHAIRPERSON GARAMENDI: Further questions?

16 COMMISSIONER CHIANG: But if I understand, sort
17 of the treatment's different. For instance, when you have
18 to mitigate in Ventura County because it creates NOx and
19 ROC and so -- you know, I mean ultimately my concern here
20 is about the public health of the people who are subject
21 to the NOx and ROC and to the ozone. That's why I was
22 asking a line of questioning about Scarborough. And, you
23 know, so it's a --

24 MS. KLIMCZAK: Well, most of those emissions are
25 generated as a result of the power generation of the

1 facility and the vaporization process, which doesn't
2 change, you know, regard -- it doesn't change if you have
3 different gas at the facility.

4 But, as I said, we will meet any regulation or
5 standard that exists in the state. We have committed to
6 that. It is in the EIR. We absolutely will do that
7 regardless -- and if it changes between now and then,
8 we'll meet whatever it changes to.

9 ACTING COMMISSIONER SHEEHAN: You know, she -- I
10 thought it was clear what she said when she talked about
11 the partner in development, that it was their intention to
12 bring in Scarborough and that, that is, it's -- in terms
13 of the purest form of methane. But at least for this
14 member, she was clear that they are still working with the
15 developer. It's their intention to bring that in because
16 it is. But if not, they would meet whatever requirement
17 that South Coast says. So at least for this member, it
18 was clear in terms of what their intention was and where
19 the status of the negotiations were on development of that
20 field.

21 CHAIRPERSON GARAMENDI: Who is the developer of
22 the field?

23 MS. KLIMCZAK: BHP Billiton and Exxon/Mobil.

24 CHAIRPERSON GARAMENDI: And --

25 MS. KLIMCZAK: Exxon/Mobil.

1 CHAIRPERSON GARAMENDI: Who has control?

2 MS. KLIMCZAK: Exxon/Mobil controls the
3 development and we currently control the liquefaction
4 facility.

5 CHAIRPERSON GARAMENDI: Exxon, I've heard that
6 name.

7 (Laughter.)

8 COMMISSIONER CHIANG: So what does that mean,
9 when you work with them in development?

10 MS. KLIMCZAK: Well, because we own the
11 resources --

12 COMMISSIONER CHIANG: When you're discussing
13 this, you're talking about development of fields, or I
14 guess -- I'm not in natural gas exploration or production.
15 When you engage with -- when BHP engages with Exxon, well,
16 when you say you're working with them, are you looking at
17 fields or how to develop these projects? Operationally
18 how does that work?

19 MS. KLIMCZAK: Well, because you're jointly on
20 the development, then you make those decisions together.
21 Otherwise you wouldn't really make an economic project.
22 And so you explore the options together and you agree as
23 to which way you're going to go with the development of
24 that -- of the reserves.

25 COMMISSIONER CHIANG: Okay.

1 MS. KLIMCZAK: It's a process that you're going
2 to have to --

3 COMMISSIONER CHIANG: That's okay.

4 CHAIRPERSON GARAMENDI: In your view, is there an
5 obligation for the State of California to be concerned
6 about the total greenhouse gas emissions of this project?

7 MS. KLIMCZAK: Well, in my view we have tried to
8 work with all of the agencies to understand what those
9 requirements are and to do whatever we possibly could to
10 mitigate and to deliver over and above, even if we didn't
11 believe something was required.

12 In regard to your specific question, no one has
13 even raised that until very, very recently in discussions.
14 It has not been part of our discussions in terms of
15 anything that is required or, you know, any data that we
16 had to produce, because it really was not part of what
17 was, you know, considered in terms of the EPA or CARB or
18 any of the other --

19 CHAIRPERSON GARAMENDI: So we now have a law in
20 the State of California about reducing greenhouse gases to
21 the 1990 level. Are you aware of that?

22 MS. KLIMCZAK: Yes, I am.

23 CHAIRPERSON GARAMENDI: How does this project
24 further the attainment of that goal?

25 MS. KLIMCZAK: Well, without natural gas, you

1 will not be able to have additional fuel for the -- to
2 replace coal for power generation. Gas is also very
3 effectively used for motor vehicles. Gasoline use --
4 instead of using gasoline, using CNG or LNG. Motor
5 pollution is 80 percent of your pollution in California.

6 CHAIRPERSON GARAMENDI: Forty.

7 MS. KLIMCZAK: Forty. Okay. Well, I just said
8 80, but you've corrected me.

9 It's a significant contributor. And I would love
10 to see natural gas being utilized in motor fuels as well
11 as in power generation. Through all of those means
12 natural gas definitely reduces greenhouse gas emissions
13 that are currently being used because of other sources.

14 CHAIRPERSON GARAMENDI: I have no other
15 questions.

16 COMMISSIONER CHIANG: No comments.

17 ACTING COMMISSIONER SHEEHAN: Thank you.

18 CHAIRPERSON GARAMENDI: Thank you.

19 COMMISSIONER CHIANG: Thank you very much.

20 Well, partners, it's time for decisions.

21 Comments?

22 ACTING COMMISSIONER SHEEHAN: I think, Paul --
23 well, I would like to hear from staff in terms of, just
24 sort of briefly -- some of the comments that came up
25 during the day that had addressed some of the issues in

1 the EIR. Not extensive, but we had heard a little bit
2 about the air stuff. But some of the other issues I know
3 that were brought up -- safety, some of the seismic stuff
4 that staff can address and how they felt the EIR
5 sufficiently addressed those issues. I don't know if,
6 Paul, or -- would you like to take that on?

7 EXECUTIVE OFFICER THAYER: I can give it a shot.

8 I'm not going to try and answer every point that
9 was raised. There's a lot to be said. But let the
10 Commissioners ask if there's some particular point about
11 some subject that they want to know on. We'd be glad to
12 provide that information.

13 But just sort as an overview of the response,
14 especially to a couple of things that just came out
15 recently. I think I was the one generated the confusion
16 over the 265 million cubic feet per day being introduced
17 into Mexico. That's a figure that comes through the north
18 Baja pipeline to serve several -- which had been approved
19 by the Commission, by the way. And the Commission was the
20 lead agency on that EIR. Most of that gas is being used
21 in powerplants right over the border. Those powerplants
22 aren't in Baja. But the misnomer is that the pipeline is
23 called the north Baja pipeline, but the gas is actually
24 used by powerplants that are a little bit east of Baja.

25 And that 265 million cubic feet per day is the

1 amount that they use. We have no idea though how that
2 relates to the overall importation of gas into Mexico.
3 That was just illustrative of the path that Mexico's an
4 importing country with respect to gas, that we could see
5 in just one pipeline that there were imports.

6 A little bit more on air quality. I think the
7 discussion today illustrates some of the inherent problems
8 for a non-air quality regulatory agency who's a lead
9 agency under CEQA. There were at least four different
10 standards that have been applied by the people speaking
11 today and that we've looked at in the analysis on the EIR.
12 They include the standards that EPA is proposing to use,
13 which also include the -- actually two different standards
14 that the air pollution control district has for their area
15 of non-attainment and the attainment areas. CARB has
16 expressed its own views about how mitigation could occur
17 there. And finally CEQA has its own set of standards.

18 In general, CEQA defers to -- or the CEQA process
19 is intended to take advantage of specialty environmental
20 programs like those implemented by the Water Board or the
21 Air Board, and generally relies on them to take care of
22 specific concerns dealing with specific environmental
23 issues there. However, the courts and really the law
24 indicate where there are shortfalls even though there's
25 specialized programs, and California's air quality

1 programs are very specialized, they're very focused.

2 But as we've heard today, they don't regulate
3 multiple sources very much. And so part of the problem
4 is, as the gentleman from the local air pollution control
5 district indicated, even if their tougher standards would
6 be applied, they would apply only to the FSRU and the
7 carriers when they were alongside the FSRU. They would
8 not apply to the carriers out to the 88 miles.

9 And it was pursuant to a different set of
10 requirements from the California Air Resources Board
11 pursuant to their 1984 report, which indicated there were
12 real impacts -- and this gets to the question of the
13 commissioners, I think the Chairman was asking, is the
14 state impacted from production of NOx 88 miles out? And
15 the answer from CARB as of '84 was, yes, it is. And yet
16 that's an unregulated impact. So that is nonetheless a
17 CEQA impact. That's something that we've looked at doing
18 here and had never been done before. So this is really a
19 frontier mitigation measure to look at vessel impacts --
20 air quality impacts particularly outside of the state
21 lines.

22 CHAIRPERSON GARAMENDI: Excuse me for a moment,
23 if I might.

24 It's not the air board's local and -- or regional
25 and state could not require it. But as a result -- could

1 not require mitigation. But because this is a CEQA issue,
2 that we could?

3 EXECUTIVE OFFICER THAYER: Yes. And CARB is
4 using that mechanism, then asking us to implement it that
5 way.

6 So there are different ways to figure the offsets
7 and how much mitigation is being achieved. But the
8 standard that staff and the consultant's looking at is in
9 context of the CEQA impact and not under any particular
10 board or EPA set of standards. It's trying to identify
11 the impacts and trying to see how they can be mitigated.

12 We're certainly guided by some of the information
13 from the air boards and ultimately CARB, which got us into
14 looking at the carriers, wrote the letter in February
15 which indicated they're satisfied with the mitigation and
16 for the impacts that they had asked us to look at.

17 But, nonetheless, under some of those standards,
18 particularly the EPA math, with respect to the mitigation
19 and the impacts, there is not yet sufficient offsetting.
20 And if you -- particularly -- that's the case even under
21 the off-shore rules, the nonattainment rules, and would be
22 even more the case if we apply or if the EPA applies the
23 on-shore rules, the 26 rules.

24 So staff, in spite of the fact that BHP has come
25 up with these more recent mitigation measures, would still

1 recommend -- and that those measures appear to reach the
2 balance between mitigation and offsets advocated by CARB,
3 in light of the shortfall under the EPA standards and in
4 light of the potential shortfall if the on-shore rules are
5 ultimately applied, we'd still recommend to the Commission
6 who want to approve this, and in spite of the new
7 regulation of carriers that hadn't occurred before, would
8 still believe that there's a significant -- potential
9 significant impact remaining after all that mitigation and
10 still recommend that the Commission adopt the statement of
11 overriding considerations for that impact.

12 With respect to state safety, there was a lot of
13 debate back and forth as to which models were used and
14 that kind of thing.

15 We believe that the expert hired by the
16 consultant, the work that was done by Sandia, is state of
17 the art and it exceeds the focus, the resolution, the
18 efficacy of earlier used models. We believe that the risk
19 of the kinds of pool fires, vapor cloud fires, that kind
20 of thing that have been discussed today, is extremely
21 remote. But it's sort of like rabies. The chance of
22 catching rabies is minimum. But once you got it, the
23 results are pretty fantastic. And so having been bitten
24 once by a cat that might -- it didn't take me long to go
25 down and get the shot. And so I think that that remains a

1 significant impact in the FEIR and therefore something
2 worth consideration by the Commission in making its
3 decision, because we're talking about adverse impacts to
4 people -- and the fear of those impacts to people who want
5 to use the waterways out here. So that remains a
6 significant impact.

7 With respect to alternatives. CEQA does provide
8 for reasonable alternatives to be discussed in the
9 Environmental Impact Report. The problem is that the CEQA
10 requirements are really focused on the particular project
11 that's proposed. They don't provide the sorts of
12 alternatives that I think everybody in this room and the
13 Commission is interested in pursuing: What's the best
14 thing for the state in terms of determining in a wider
15 sense what energy source in general is going to be used,
16 whether it's renewable or whatever, or a more focused --
17 in a more focused way how it's going to import more
18 natural gas.

19 Staff believes that the final EIR does meet the
20 CEQA requirements for alternatives. But the fact that it
21 doesn't deal with these larger issues, trying to develop
22 the best possible energy source or natural gas source for
23 the state, is reflected in the fact that back in the
24 seventies when the state last faced this issue,
25 legislation involved, Halaco was hauled through the

1 process and legislation was enacted to set up the same
2 sort of process that this Commission has been advocating,
3 which is to set up one agency, in that case it was the
4 Coastal Commission and the Energy Commission, to pick the
5 best spot for the state. That process was repealed and
6 doesn't exist currently, although a Senator's committee
7 has been trying to enact that process. It doesn't exist
8 right now.

9 Ultimately I think the demand analysis is
10 significant. If we accept that there are impacts that
11 will remain significant in spite of mitigation that's been
12 developed, the Commission cannot approve this project
13 unless it adopts a statement of overriding considerations.
14 And it cannot adopt a statement of overriding
15 considerations unless it determines the benefits from this
16 project outweigh or justify accepting the significant
17 adverse environmental impacts.

18 In the draft statement environmental -- excuse
19 me -- draft statement of overriding considerations that
20 s-t-a-f-f has provided for the Commission's consideration,
21 we identify meeting natural gas demand as the primary
22 reason -- or the primary benefit. And there are
23 several -- there are three aspects of that.

24 It remains true that the Energy Commission as
25 recently as today from a representative and as largely

1 confirmed by staff at -- prepared December of last year by
2 the PUC staff, that California has an increasing demand,
3 that the rest of the country has an even faster increasing
4 demand and therefore may demand -- or may compete for
5 supplies that California's presently using.

6 And, finally, that the more flexible we are in
7 the kinds of sources we have for our supply, i.e., we
8 presently don't import LNG, and if we did it would be a
9 new source; all of these things are of benefit in staff's
10 view and is a reason for staff's recommendation for
11 approval and adoption of that statement of overriding
12 consideration because it will assist California's need to
13 meet this increased demand for natural gas, will help it
14 even if that natural -- if that demand was not increasing,
15 the demand for the same supply we are using is increasing
16 from other parts of the country, so we can expect
17 potential price rises and finally the diversification of
18 sources.

19 But having said all of that, ultimately that's up
20 to the Commission to decide. And as staff -- as was
21 pointed both by the adherence of the opponents to this
22 project, the final impact report voices the opinion that
23 if this project were not approved, there are a number of
24 other ways to bring natural gas into California. And
25 staff would warn you that some of these are speculative.

1 Some of them that have been discussed today have had no
2 applications made yet, and we're not sure how firm they
3 are. But it's clear -- I think the Energy Commission's
4 testimony said the same thing -- that there are other
5 options available to the state. And the problem for this
6 Commission is that the CEQA process does not generate the
7 analysis and the Commission doesn't really have
8 jurisdiction over a lot of those different alternatives.
9 In essence, from my opinion, it cries out the kind of
10 legislative direction that would enable the state to
11 better deal with these issues.

12 So that concludes staff's wrap up. But we'd be
13 glad to answer any questions.

14 CHAIRPERSON GARAMENDI: Any questions, Anne?

15 ACTING COMMISSIONER SHEEHAN: No, I think my
16 questions have been answered in terms of that, you know.
17 But I would defer to my Commissioners before we start a
18 discussion in terms of other issues, where we go from
19 here.

20 COMMISSIONER CHIANG: (Shakes head.)

21 CHAIRPERSON GARAMENDI: I think we have no
22 further questions.

23 Well, it's time for a decision.

24 ACTING COMMISSIONER SHEEHAN: Do you want me
25 to go first?

1 CHAIRPERSON GARAMENDI: You can -- whichever one
2 of you want to go first. I can't make the motion myself.
3 If I could, I would.

4 ACTING COMMISSIONER SHEEHAN: Well, I'll
5 certainly defer to the Controller.

6 COMMISSIONER CHIANG: Sure. Before I make my
7 motion, let me make a public acknowledgement. I want
8 to -- this is Dwight Sanders' last project or role of
9 operation, for a distinguished career in public service.
10 Obviously it is a very significant and important project
11 to the general well being of California. And so, Dwight,
12 for a distinguished career in public service I just wanted
13 to thank you for your extraordinary work for the citizens
14 of California.

15 (Applause.)

16 COMMISSIONER CHIANG: Chairman Garamendi,
17 Commissioner Sheehan, I'd like to make a motion at this
18 time to deny the lease. And as a part of that motion,
19 that we not certify the EIR. Let me explain why.

20 There are 20 significant unavoidable impacts
21 identified in the EIR. But I think based on today and
22 tonight's testimony, there may be a few more.

23 If we were to approve this lease, we'd have to
24 find that these significant unavoidable impacts are
25 overridden by the benefits of the project. And I don't

1 believe that's true. I also don't believe this project is
2 in the best interests of the state or its residents.

3 While BHP --

4 (Applause.)

5 CHAIRPERSON GARAMENDI: Now, you've been very
6 good throughout the evening. Please stay that way.

7 (Laughter.)

8 COMMISSIONER CHIANG: While BHP has made
9 significant and great efforts to reduce the impact of the
10 project's emissions, I have strong environmental justice
11 and public safety concerns that I want to share. And I
12 believe we need further exploration of the alternatives.

13 Specifically I'm worried about air quality and
14 the emissions from these LNG tankers at the terminal
15 itself. We know that the terminal is exempt from Ventura
16 County's clean air rules under the EPA's recent decision.
17 BHP states that the total project will contribute 145.4
18 tons per year of NOx emission. That includes BHP's recent
19 reduction of 15 tons per year.

20 With the tug improvements, at most reductions in
21 Ventura and the South Coast Air Basin will be 64.2 tons
22 per year. Adding the 6 tons per year of NOx credits that
23 the BHP identified today, that means 70.2 tons per year in
24 NOx reductions.

25 EPA's credit numbers are much lower than those

1 provided by CARB. Yet even using the high numbers that
2 CARB identified, the reductions are still only 48 percent
3 of the project's emissions off-shore Ventura and the South
4 Coast Air Basin.

5 The EIR identified 59.8 tons per year in ROC
6 emissions that the project will produce. No ROC credits
7 were identified in the EIR. It is just as important to
8 mitigate the ROC emissions, in my belief, as it is in the
9 NOx emissions. As I said before, I'm concerned that the
10 people who live here, residents who Supervisor John Flynn
11 noted are 80 percent emerging community -- some people use
12 the term "minority" -- and many who have turned out in
13 force tonight to voice their concerns and fears, will bear
14 the brunt of the impacts in air quality.

15 I remain concerned about the people this
16 pollution will affect, especially the kids and the seniors
17 whose lungs can be especially sensitive.

18 As I understand it, the prevailing wind currents
19 will blow the majority of the project emissions directly
20 on the communities in and south of Ventura County.

21 I think retrofitting the two tugboats that go up
22 and down the coast is a good and welcome environmental
23 decision. I appreciate the thinking. But those who will
24 suffer the lion's share of the impacts will only receive
25 some of the benefits of those reductions.

1 If you can count credits for the tugboats'
2 journeys up and down the coast north of Ventura County,
3 this isn't going to clean the air in the area most
4 affected by the project. Specifically, only a portion of
5 the tug reductions are in Ventura and the south county air
6 basin, while the rest will benefit residents north of
7 Ventura County.

8 I also have major concerns about approving an LNG
9 terminal off our beautiful California coast, which is
10 partially responsible for our \$50 billion statewide
11 coastal economy. We all know the Governor and the
12 Legislature have enacted statutes to reduce California's
13 carbon footprint and move us away from fossil fuels,
14 toward cleaner renewable alternatives. I do not think
15 this project is something that carries out the great
16 promise of these groundbreaking laws.

17 This is the first of several similar off-shore
18 projects that are in the pipeline. I think it would serve
19 us well to develop a long-term comprehensive plan that
20 looks at all of these projects in context so we can
21 determine the best path for California's future. I
22 understand Senator Joe Simitian has legislation to address
23 this need.

24 I am also concerned about the clear threats to
25 marine life as well as human safety. This project will

1 impact marine life just from the normal operations, let
2 alone the possibility of spills, the EIR discloses, and
3 testimony tonight only added to these concerns. From a
4 safety perspective, even if the risk is low, the potential
5 of danger to human life is significant, as we heard,
6 interestingly enough, from a rabies example.

7 (Laughter.)

8 COMMISSIONER CHIANG: And that we must be careful
9 here. I don't think this project adequately addresses in
10 entirety public safety.

11 Finally, the testimony from elected officials has
12 been compelling, from local, school, city and county
13 officials to state legislator and Congressman Lois Capps,
14 a public health nurse who called the proposed project the
15 largest smog producer, end of quote, in the area. Their
16 testimony showed the concern of the communities they
17 represent.

18 Dr. Liu, as I've mentioned numerous times before,
19 of the South Coast Air Quality Management District,
20 testified that the non-desert areas of Los Angeles,
21 Orange, Riverside, and San Bernardino counties shoulder
22 the burden of 52 percent of the entire nation's
23 particulate matter exposure. He said particulate matter
24 is linked to more than 5400 premature deaths each year in
25 the South Coast Air Quality Basin alone. These statistics

1 are devastating.

2 This project will contribute to that problem,
3 unfortunately -- I don't know how you eliminate it -- if
4 not adequately mitigate it. This is unacceptable.

5 No less compelling is the testimony from all of
6 you. The affected community residents who have turned out
7 tonight who are spending your precious off-hours
8 participating in our democracy, voicing the views of your
9 families, friends. And so I greatly appreciate your
10 participation and your patience.

11 I thank you for coming tonight and I thank you
12 all for your time and commitment.

13 CHAIRPERSON GARAMENDI: Thank you.

14 We now have a motion before us to not certify the
15 EIR and to deny the lease.

16 Anne, do you have comments?

17 ACTING COMMISSIONER SHEEHAN: I would oppose the
18 motion. And let me go through in terms of some of my
19 thoughts on today and to comment on Mr. Chiang's.

20 I don't know if you'd want to put in a --

21 CHAIRPERSON GARAMENDI: Well, you can either
22 comment on his points or you can do a substitute motion.
23 Either way.

24 ACTING COMMISSIONER SHEEHAN: Then I would put a
25 substitute motion to certify the EIR and approve the lease

1 at this point in time.

2 Let me talk about in terms of, as we sat here
3 today for the many hours that we have -- and I guess as
4 someone who's been on -- I guess I'm the veteran on this
5 Commission, having served for the last three and a half
6 years, I first of all do also want to compliment Dwight
7 and the staff of this Commission for the work that they
8 did on the EIR.

9 But we've heard a lot of disagreement about what
10 was in the EIR and some other things. I'd have to say,
11 the Lands Commission has one of finest staffs that I have
12 ever worked with. And I served, as many of you know, on
13 upwards of 50 commissions, the Department of Finance, and
14 we've been in a lot of issues with the Lands Commission.
15 Sometimes I agree with staff, sometimes I do not. But I
16 have to say they have always, always carried out their
17 mission in the most professional way possible. So I have
18 to compliment them on the work that they've done on this
19 EIR.

20 I know there were a couple of speakers who felt
21 that certifying this EIR would be harmful to any future
22 natural LNG projects. I would say I would disagree with
23 that, because I think much of the work that was done
24 helped lay the groundwork for the debate on natural gas
25 going forward and the need for LNG in this state.

1 In terms of a couple of other things -- as I say,
2 the staff has done a superb job on this document. An EIR
3 is a legal requirement that takes into account those
4 things that they've looked at at that point in time. We
5 talked about -- Paul talked about some of the
6 alternatives. We would love to go into more detail on the
7 alternatives. That's not the job of the Commission in
8 this document at this point this time.

9 In terms of our energy, one of the things that
10 really hits me is in terms of our energy needs for this
11 state going forward. We are running out of natural gas
12 supplies. You look at the -- basin, you look at the Rocky
13 Mountains. We are going to need natural gas. While I
14 know my fellow Chair and some of the commissioners may
15 disagree, I do see this project as a bridge. I work for a
16 Governor who signed AB 32, who pushed the solar roof
17 initiative, and who also has been very supportive of the
18 greenhouse gas and the renewable energies. But he also
19 has said, well, having taken a position on this project,
20 and would not until he has to legally, has said LNG is
21 part of our future energy supplies in this states.

22 We have got to move forward. There was a lot of
23 discussion about the project in Mexico. I think that's
24 great. We don't have our contract. We don't have letters
25 of intent. But I also don't think that we can relegate

1 all of those projects to south of the border. We in
2 California have got to also step up and provide some of
3 the projects here. Are all of them going to go? No, I
4 don't think so. Only a couple of them will, because we
5 know what the demand is going to be.

6 But I don't think it's right for us sitting north
7 of the border to say, "You guys can have the project down
8 there, but we'll take your gas." I think we also have to
9 be responsible for some of our energy needs in
10 this state.

11 As I say, I think that we need to move this
12 project forward. It has many other steps to go. There
13 are future things that the sponsors have said that they
14 would do for this project. I think for the future of the
15 state and the energy needs we've got to move it forward.
16 I understand the local concerns. It's extremely difficult
17 living here. You all live in a beautiful place. But I
18 also have to think about the other 36 million Californians
19 whose lights have got to go on. And we have an obligation
20 to take that into account.

21 I think the project sponsors have put together
22 some mitigation. There's disagreement over which rule.
23 But they have said they will meet whatever air control
24 district requirement is in effect. I take them at their
25 word. I think they've gone beyond to show that they are

1 looking for additional things. But if we stop it now, I
2 think we send a signal that we do not want to look at
3 natural gas -- LNG as another resource for California.
4 And I think we've got an obligation to do that.

5 So I would oppose the motion and offer a
6 substitute motion to certify the EIR and approve the
7 lease.

8 CHAIRPERSON GARAMENDI: Is there a second to that
9 motion?

10 There not being a second, that motion dies and
11 we're back on the first motion, which was Mr. Chiang's
12 motion.

13 I suppose it's my turn now, and I will take it.

14 Your statement, John, was right to the point in
15 virtually every way. There are a couple of things that I
16 would like to focus on, however.

17 First with regard to the EIR. The EIR in my view
18 relies almost exclusively on the California Energy
19 Commission's analysis to justify the need for this
20 project. In my view, there has not been sufficient or
21 adequate analysis by the California Energy Commission to
22 establish the need for LNG.

23 The analysis is based on old data. New data is
24 in the process of being developed, but it's not yet at
25 hand and it's not part of this report.

1 The California Energy Commission's analysis does
2 not incorporate the dramatic changes in California
3 policies that have been enacted in the last three years
4 and signed by Governor Schwarzenegger and passed by the
5 Legislature, AB 32 being the principal but not the only
6 policy change that is now in place. Clearly those
7 policies put California in a different path -- on a
8 different path than the 2005 Energy Commission report.

9 The natural gas pipelines coming into California
10 currently have a significant amount of unused capacity.
11 Arguments that that capacity would not be used and not
12 available to California I think are just plain fallacious.

13 The natural gas -- the U.S. natural gas
14 consumption has in fact declined over the last couple of
15 years. And there are some indication that's been made
16 available at this hearing that there will be adequate
17 supplies. California will probably have to bid for them.
18 But nonetheless the supplies seem to be there.

19 This project does not fulfill an immediate need.
20 I spent a good deal of this day trying to get at the
21 length of the bridge, that is, the timeframe in which this
22 presumed bridge would be available to us. It appears that
23 it's somewhere out there, by the last testimony of the CEO
24 of this project, that it is four to four and a half years.
25 There's some indication it may actually be 2013. There is

1 time enough in the future for this entire LNG issue to be
2 analyzed with up-to-date and with current law and
3 California policy available for that analysis.

4 Now, the LNG can be met from numerous sources.
5 The CEC and the CPUC both said that it's a bridge and we
6 need one or more, which is anything but a clear indication
7 of what is really needed. One should fault the CEC and
8 CPUC for that kind of analysis, which is about as useful
9 as -- well, let it go.

10 The next point has to do with the alternatives.
11 Unfortunately, the way in which this project is presented
12 to us, we do not have the opportunity to look at all of
13 the alternatives to judge which is most technologically
14 advantageous to the State of California or which location
15 is most advantageous or at least harmful. We don't have
16 that. But what we do have available to us is the fact
17 that the EIR does consider 18 different options and then
18 promptly rejects them as being not useful for the
19 analysis. I strongly disagree with that portion of the
20 EIR; that in fact if they take up 18 to be considered,
21 then those 18 should indeed should have been considered in
22 detail, whatever detail was readily available at that
23 time.

24 The role of reasonableness governs the
25 alternative evaluation. Under both NEPA and CEQA

1 guidelines we are to look at reasonableness when
2 considering alternatives. To simply reject 18 different
3 options as being not reasonable, I don't buy it.

4 The project's objectives and purposes also raise
5 some questions in my mind as to its -- as to how this fits
6 into the need for LNG in the State of California. And we
7 had a discussion at the end of this hearing about that and
8 to what -- exactly what is this project and exactly when
9 will it come on line.

10 Now, having said all of that, I will second the
11 motion that Mr. Chiang made that we would reject the
12 EIR --

13 (Applause.)

14 CHAIRPERSON GARAMENDI: -- and not certify it.

15 That takes me to the lease -- did I forget to
16 once again admonish you to keep your emotions to yourself?

17 (Laughter.)

18 CHAIRPERSON GARAMENDI: The next has to do with
19 the second portion of his motion, which is to deny the
20 lease. That for us to approve the lease, we would first
21 have to have an EIR, I think. At least that's my view.
22 And, secondly, we would have to accept the overriding
23 considerations that the 20, perhaps more, as John said,
24 unmitigated impacts we would simply have to waive aside
25 and say that nevertheless we absolutely have to have this

1 project and therefore we override those considerations. I
2 am not prepared to do that, for reasons that I've already
3 cited with regard to the EIR.

4 There's a balancing test that we have to put in
5 place, that is, that the benefits of this project outweigh
6 those problems and those unmitigated problems. I do not
7 believe that this has occurred. And that the balance is
8 clearly in favor of not -- clearly in favor of denying the
9 lease.

10 There are several reasons for that, some of which
11 I've already discussed and we'll certainly have in more
12 detail when my written review of this project is made part
13 of the record.

14 So I second the second portion of John's motion
15 to deny the lease.

16 Now, we should probably move to other comments
17 that you might have.

18 Mr. Chiang or Ms. Sheehan, if you have other
19 comments, then now is the time to make them. And then we
20 will go to a vote on the project.

21 COMMISSIONER CHIANG: No comments.

22 ACTING COMMISSIONER SHEEHAN: No.

23 CHAIRPERSON GARAMENDI: Well, then let us poll.
24 Your vote is?

25 ACTING COMMISSIONER SHEEHAN: My vote is to

1 oppose this project.

2 CHAIRPERSON GARAMENDI: To oppose the motion on
3 the adequacy of the EIR as well as the lease?

4 ACTING COMMISSIONER SHEEHAN: Right.

5 CHAIRPERSON GARAMENDI: Okay. And you support
6 your motion, I suppose?

7 COMMISSIONER CHIANG: Aye.

8 CHAIRPERSON GARAMENDI: And I support your
9 motion. Therefore, the action of this --

10 (Cheering.)

11 CHAIRPERSON GARAMENDI: You are so good.

12 Therefore the action of this Commission is to not
13 certify the EIR and to deny the lease.

14 Thank you very much.

15 (Applause.)

16 (Cheering.)

17 CHAIRPERSON GARAMENDI: We now adjourn the
18 hearing.

19 (Thereupon the State Lands Commission
20 meeting adjourned at 10:19 p.m.)

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1 CERTIFICATE OF REPORTER

2 I, JAMES F. PETERS, a Certified Shorthand
3 Reporter of the State of California, and Registered
4 Professional Reporter, do hereby certify:

5 That I am a disinterested person herein; that the
6 foregoing California State Lands Commission meeting was
7 reported in shorthand by me, James F. Peters, a Certified
8 Shorthand Reporter of the State of California, and
9 thereafter transcribed into typewriting.

10 I further certify that I am not of counsel or
11 attorney for any of the parties to said meeting nor in any
12 way interested in the outcome of said meeting.

13 IN WITNESS WHEREOF, I have hereunto set my hand
14 this 7th day of May, 2007.

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22 JAMES F. PETERS, CSR, RPR

23 Certified Shorthand Reporter

24 License No. 10063

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